Table of Contents

As filed with the Securities and Exchange Commission on March 21, 2012

Registration No. 333-178727

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Amendment No. 2
to
FORM S-1
REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

GOGO INC.

(Exact name of registrant as specified in its charter)

Delaware	**4899**	**27-1650905**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(IRS Employer Identification Number)**

1250 N. Arlington Heights Road, Suite 500
Itasca, IL 60143
(630) 647-1400
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Marguerite M. Elias
Senior Vice President and General Counsel
1250 N. Arlington Heights Road, Suite 500
Itasca, IL 60143
(630) 647-1400
(Name, address, including zip code, and telephone number, including area code, of agent for service)

with copies to:

Matthew E. Kaplan, Esq.
Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
(212) 909-6000

Rachel W. Sheridan, Esq.
Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000
Washington, D.C. 20004
(202) 637-2200

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price[1]**	**Amount of Registration Fee[2]**
Common stock, par value $0.0001 per share	$100,000,000	$11,460.00

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933. Includes the offering price of additional shares that the underwriters have the option to purchase.

(2) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and neither we nor the selling stockholders are soliciting offers to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued , 2012

Shares

GOGO INC.

COMMON STOCK

This is the initial public offering of the common stock of Gogo Inc. We are offering shares of the common stock to be sold in the offering. The selling stockholders identified in this prospectus are offering an additional shares of our common stock. We will not receive any proceeds from the sale of shares by the selling stockholders. No public market currently exists for our common stock. We anticipate that the initial public offering price will be between $ and $ per share.

We intend to apply to list our common stock on the NASDAQ Global Market under the symbol "GOGO."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 14 of this prospectus.

PRICE $ A SHARE

	Price to Public	*Underwriting Discounts and Commissions*	*Proceeds to Company*	*Proceeds to Selling Stockholders*
Per Share	*$*	*$*	*$*	*$*
Total	*$*	*$*	*$*	*$*

The underwriters also may purchase up to additional shares from us and from the selling stockholders at the initial offering price less the underwriting discounts and commissions to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about , 2012.

MORGAN STANLEY *J.P. MORGAN* *UBS INVESTMENT BANK*

ALLEN & COMPANY LLC *EVERCORE PARTNERS* *WILLIAM BLAIR & COMPANY*

, 2012

Table of Contents

Table of Contents

Table of Contents

TABLE OF CONTENTS

You should rely only on information contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We, the selling stockholders and the underwriters have not authorized anyone to provide you with additional or different information. Neither this prospectus nor any free writing prospectus constitutes an offer to sell, or a solicitation of an offer to buy, any of the shares of common stock offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. The information contained in this prospectus is accurate only as of the date of this prospectus or such free writing prospectus, as applicable.

Until (25 days after the commencement of this offering) all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: Neither we, the selling stockholders, nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus outside of the United States.

MARKET, INDUSTRY AND OTHER DATA

Information in this prospectus about the markets in which we operate, including the commercial and business aviation markets, and our position within those markets, is based on estimates prepared using data from independent industry publications, reports by market research firms and other published independent sources, as well as independent research commissioned by us and internal company surveys and our good faith estimates and assumptions, which are derived from such data and our knowledge of and experience in these markets. Although we believe the third party sources are credible, we have not verified the data or information obtained from these sources. Similarly, third party and internal company surveys, which we believe to be reliable, have not been verified by any independent sources. By including such market data and industry information, we do not undertake a duty to provide such data in the future or to update such data if it is updated. Our estimates, in particular as they relate to our general expectations concerning the commercial and business aviation markets, have not been verified by any independent source, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors." In this prospectus, unless specifically stated or the context otherwise requires, the term "Gogo-commissioned survey" refers to independent research commissioned by us and the term "Gogo survey" refers to internal company surveys.

PROSPECTUS SUMMARY

The following summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider before investing in our common stock. You should read this entire prospectus, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes to those statements, before making an investment decision. Unless the context otherwise indicates or requires, the terms "we," "our," "us," "Gogo," and the "Company," as used in this prospectus, refer to Gogo Inc. and its directly and indirectly owned subsidiaries as a combined entity, except where otherwise stated or where it is clear that the terms mean only Gogo Inc. exclusive of its subsidiaries.

Mission

Our mission is to make Gogo everyone's favorite part of flying.

We transform the in-cabin experience for airline passengers by delivering ground-breaking and branded in-flight internet connectivity and an array of digital entertainment solutions. We enable our commercial airline partners to differentiate their service offerings, increase customer satisfaction and unlock new revenue streams. We provide our media partners with access to an attractive and undistracted audience. We provide our business aviation customers with a full suite of in-flight internet connectivity and other voice and data communications products and services, allowing discerning private jet passengers the ability to stay connected in flight. Our goal is to enable the connected lifestyle of today's business and leisure travelers in the air.

Who We Are

Gogo is the world's leading provider of in-flight connectivity with the largest number of internet-connected aircraft in service, and a pioneer in wireless in-cabin digital entertainment solutions. Through our proprietary platform and dedicated air-to-ground, or ATG, network, and a variety of in-cabin offerings, we provide turnkey solutions that make it easy and convenient for passengers to extend their connected lifestyles to the aircraft cabin. We operate our business through two operating segments: commercial aviation, or CA, and business aviation, or BA.

Our CA business provides in-flight connectivity and digital entertainment solutions to commercial airline passengers through their personal Wi-Fi enabled devices. Through our Gogo platform, passengers can access an array of services including:

- *Gogo Connectivity*. Allows passengers to connect to the internet through various user-purchase options, including subscriptions, individual sessions and multiple session packages as well as third-party sponsored access.
- *Gogo Vision.* Offers passengers the ability to watch a broad selection of on-demand movies and television shows on a pay-per-view basis.
- *Gogo Signature Services.* Includes a variety of entertainment and informational content and services customized for each airline, such as destination-based event ticketing, e-commerce, flight tracker and access to travel sites and weather.

We provide Gogo Connectivity to passengers on nine of the ten North American airlines that provide internet connectivity to their passengers. We provide Gogo Connectivity to passengers on Delta Air Lines, American Airlines, US Airways, Alaska Airlines, Virgin America, Frontier Airlines and AirTran Airways pursuant to long-term agreements with these airlines. We also provide Gogo Connectivity to passengers on a small number of aircraft operated by United Airlines and Air Canada pursuant to trial agreements. As of December 31, 2011, we had 1,345 commercial aircraft online, representing approximately 87% of internet-enabled North American commercial aircraft at such date, which were operated on nearly 4,500 daily

flights on average in the fourth quarter of 2011. From the inception of our service in August 2008 to December 31, 2011, passengers used Gogo Connectivity over 18 million times. From January 1, 2012 through February 29, 2012, we added an additional 129 aircraft online. As of March 15, 2012, we have signed contracts with our airline partners to install Gogo on approximately 500 additional aircraft, and we currently expect to complete substantially all of those installations by the end of 2013.

Our BA business sells equipment and provides services for in-flight internet connectivity and other voice and data communications under our Gogo Biz and Aircell branded products and services. BA's customers include original equipment manufacturers of private jet aircraft such as Gulfstream, Cessna, Hawker Beechcraft, Bombardier, Dassault, and Embraer, leading aftermarket dealers and all of the largest fractional jet operators including NetJets, Flexjets, Flight Options and CitationAir. We sell equipment for three of the primary connectivity network options in the business aviation market: Gogo Biz, which delivers broadband internet connectivity over our ATG network, and the Iridium and Inmarsat SwiftBroadband satellite networks. As of December 31, 2011, we had 860 Gogo Biz systems in operation and 4,733 aircraft with Iridium satellite communications systems in operation, and we have sold more than 100 Inmarsat SwiftBroadband systems. Our Gogo Biz offering is the only ATG broadband connectivity service available in the business aviation market, and we are the largest reseller of Iridium satellite services to the business aviation market.

We provide in-flight broadband connectivity across the contiguous United States and portions of Alaska via 3 MHz of Federal Communications Commission, or FCC, licensed ATG spectrum and our proprietary network of cell sites. We believe the reliability of Gogo's in-flight connectivity is unmatched. Our customized airborne network allows us to actively manage data traffic in order to maintain the speed and quality of the Gogo service through sophisticated bandwidth management. We are implementing a technology roadmap that will allow us to significantly increase our network capacity by utilizing a combination of the best available and developing technologies, including the next generation of ATG, or ATG-4, and Ka-band and other satellite-based solutions.

Our CA business generates revenue primarily from fees paid for Gogo Connectivity and from products and services available through Gogo Vision and Gogo Signature Services. We generate Gogo Connectivity related revenue from purchases by airline passengers of individual sessions, monthly renewable and annual subscriptions and multiple session packages as well as from fees paid by third parties who sponsor free or discounted access to Gogo Connectivity to passengers in exchange for a promotional presence on our in-air website. We generate Gogo Vision related revenue from fees paid by passengers for access to content on Gogo Vision, a service that we launched in August 2011 and October 2011 on aircraft operated by American Airlines and Delta Air Lines, respectively, and which we have agreed to launch on US Airways. We generate Gogo Signature Services related revenue from advertising fees and e-commerce revenue share arrangements. Our BA business generates revenue from the sale of satellite and ATG equipment and from subscriptions for in-flight internet connectivity and other voice and data communications services.

We have grown significantly since the launch of Gogo Connectivity in August 2008. We increased the number of commercial aircraft online from 30 to 1,345 between December 31, 2008 and December 31, 2011, and the aggregate number of passengers on flights with Gogo Connectivity, or our gross passenger opportunity, increased from approximately 624,000 in 2008 to approximately 192 million in 2011. See Note 8 to the tables under the heading "Summary Historical Consolidated Financial and Other Operating Data" for the definition of gross passenger opportunity. Since 2006, our BA business has sold approximately 6,300 ATG and satellite-based communications systems for private aircraft and signed agreements with all of the largest fractional jet operators.

Our consolidated revenue increased 69.2% from $94.7 million in 2010 to $160.2 million in 2011, and over the same period our net loss decreased from $113.4 million to net income of $23.6 million, our consolidated Adjusted EBITDA increased from $(44.9) million to $(0.9) million and our consolidated net loss attributable to common stock decreased from $(140.1) million to $(17.9) million. We present Adjusted EBITDA in this prospectus as a

supplemental performance measure because, as presented, it eliminates the items set forth in the definition of Adjusted EBITDA in Note 7 to the tables under the heading "Summary Historical Consolidated Financial and Other Operating Data," which items management believes have less bearing on our operating performance, thereby highlighting trends in our core business which may not otherwise be apparent. See the same Note 7 for additional information about Adjusted EBITDA, including the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net loss attributable to common stock.

We Are Enabling the Connected Lifestyle In-Cabin

Passengers on commercial and business aircraft are increasingly seeking to remain connected in flight. Airlines are under pressure to remain competitive and must attract passengers by improving services while simultaneously reducing costs. We believe the intersection of these trends creates a meaningful opportunity for Gogo.

- *Large, Underserved Air Travel Market.* In 2010, there were approximately 2.7 billion scheduled passengers on commercial aircraft worldwide, including approximately 630 million in the U.S., and according to International Air Transport Association, or IATA, the number of passengers worldwide is expected to grow to nearly 3 billion in 2012. With the number of both business and leisure travelers expected to continue to grow in the near term and with only approximately 16% of commercial aircraft in the North American market and approximately 6% of commercial aircraft in the global market equipped to provide connectivity to passengers in 2010, we believe there is significant opportunity for us to continue to expand into this underserved market. The number of business jets in the North American and global business aviation markets is projected to grow by approximately 10% and 13%, respectively, by 2015 according to JetNet. With only a minority of North American business jets equipped with broadband internet access, we believe that the potential for expansion of our Gogo Biz service in the North American market is significant. We further believe that the projected increase in business jets globally represents a significant opportunity for us to grow our satellite-based equipment and services in the international market.
- *Emergence of the Connected Lifestyle.* The proliferation of mobile devices and the wide availability of terrestrial Wi-Fi and mobile broadband services have led consumers to expect connectivity wherever they may be. The need for mobile connectivity among business professionals to access corporate email and VPNs has increased significantly. According to a survey conducted by Egencia in 2011, 48% of business travelers were willing to pay for in-flight Wi-Fi over other amenities. Leisure travelers are also looking for ways to stay connected and online at all times. According to Forrester Research Inc., in 2010 approximately 79% of U.S. on-line leisure travelers owned a laptop or notebook, and in 2011 over $160 billion was spent in the U.S. through retail e-commerce channels. In addition, according to In-Stat, in-flight internet usage is expected to increase rapidly over the next five years, from approximately 15.6 million North American sessions in 2011 to 96.9 million by 2015.
- *Commercial Aviation Industry Focused on New Revenue Sources, Cost Management and Passenger Experience.* In the competitive airline industry, airlines are being forced to balance various, and at times contradictory, market dynamics. The growth of low-cost carriers has created a more competitive environment for airlines. Airline expenses, such as fuel cost, are rapidly increasing, and airlines have generally been unable to increase ticket prices enough to generate revenues sufficient to offset these expenses. As a result, airlines are increasingly asking passengers to pay for formerly complimentary services, including in-flight entertainment offerings. By offering cost-effective in-flight connectivity and entertainment solutions that passengers can access through Wi-Fi enabled devices that passengers now routinely carry on board, we provide our airline partners with new revenue streams and a way to attract passengers by enhancing the in-cabin experience.

The Gogo Advantage

We believe the following strengths provide us competitive advantages in realizing the potential of our opportunity:

- *Compelling User Experience*. The Gogo service helps the airline create a compelling in-cabin experience for its passengers. According to a Gogo survey, 78% of our users are likely to recommend Gogo Connectivity to others, 33% of our users have indicated that they are likely to switch airlines to be on a Gogo-equipped flight and 17% of our users have specifically changed their flight plans to be on a flight with in-flight internet.
- *Leading Brand.* We believe that Gogo has strong brand equity in the marketplace and is becoming associated with in-flight connectivity by our customers. According to Gogo-commissioned surveys, nearly 80% of Gogo users indicated they would use Gogo again on their next flight, 27% of leisure travelers and 54% of business travelers are aware of Gogo, and more than 80% of Gogo users have indicated that their travel experience was made more satisfying because of Gogo. One of these surveys also indicates that Gogo has 18 times the top of mind unaided awareness as our nearest competitor.
- *Compelling Offering for Airlines.* Our services allow our airline partners to delight their passengers with a co-branded in-flight experience that can be customized for each airline. By providing the Gogo service to our airlines partners' passengers on a co-branded basis, we help our airline partners enhance their brand appeal, increase customer loyalty and earn additional revenue. Gogo also saves our airline partners time and money by providing turnkey solutions. Our in-flight connectivity and entertainment systems can generally be installed overnight, limiting the amount of time an aircraft is out of service, and are the lowest weight among competitive offerings, reducing drag and incremental fuel consumption. We believe we are the only provider of in-flight broadband internet connectivity that can cost-effectively equip an airline's entire North American fleet, including regional jets, enabling our partners to provide a seamless experience to passengers throughout their itineraries.
- *Strong Incumbent Position.* We are the world's leading provider of in-flight connectivity to the commercial aviation market with the largest number of internet-connected aircraft in service, and a leading provider of in-flight internet connectivity and other voice and data communications equipment and services to the business aviation market. As of December 31, 2011, Gogo-equipped planes represented approximately 87% of North American commercial aircraft that provide internet connectivity to their passengers. Approximately 96% of Gogo-equipped planes, representing approximately 43% of our consolidated revenue for the year ended December 31, 2011, are contracted under ten-year agreements. We believe that our nationwide ATG network, FCC spectrum license, customized network management processes and other proprietary intellectual property, as well as our technological, management and industry expertise would take significant time and capital to replicate. Our CA business accounted for approximately 54% of our consolidated revenue for the year ended December 31, 2011.

  We have nearly two decades of experience in the business aviation market, and we sell equipment for three of the primary network options to all of the largest OEMs of business aircraft, leading aftermarket dealers and all of the largest fractional jet operators. We sell Gogo Biz and Iridium services to owners and operators of private aircraft, we are the only provider of ATG broadband internet connectivity, via Gogo Biz, in the business aviation market, and we are the largest reseller of Iridium satellite services to the business aviation market. As of December 31, 2011, we had 4,733 aircraft with Iridium satellite communications systems and 860 Gogo Biz systems in operation. We installed an additional 89 aircraft with Iridium satellite communications systems and an additional 103 Gogo Biz systems by February 29, 2012. We had 4,003 aircraft operating in North America as of December 31, 2011, which represented approximately 34% of business aircraft in North America. Our BA business accounted for approximately 46% of our consolidated revenue for the year ended December 31, 2011.

- *Efficient, Reliable and Expandable Proprietary Technology.* We believe that Gogo has the most cost-efficient and scalable network providing in-flight connectivity and entertainment to passengers. We actively manage data traffic through sophisticated bandwidth management to maintain the speed, quality and reliability of the Gogo service. Our technology approach and architecture provide us with the flexibility to utilize the best currently available and future available technologies and, going forward, will facilitate our transition to the next-generation ATG-4 and Ka-band and other satellite-based solutions, which will expand our network capacity in the United States and facilitate planned future international expansion.

Growth Strategy

Our mission is to make Gogo everyone's favorite part of flying, and we intend to execute the following strategies:

- *Expand Commercial Aircraft Footprint.* To expand our footprint, we intend to continue deploying the Gogo service on contracted planes on our airline partners' fleets, target full-fleet availability of the Gogo service for all of our airline partners and enter into new airline partnerships.
- *Drive Consumer Adoption and Monetization.* We intend to improve and expand our consumer reach by continuing to promote brand loyalty and target new users, grow sales through existing and new distribution channels, offer compelling content through Gogo Vision, expand e-commerce opportunities and destination-specific offerings and provide passengers with predictable availability and a seamless connectivity experience across flights.
- *Innovate and Evolve Our Technology.* We will continue to execute our technology roadmap, maintain technical network flexibility, collaborate with our airline partners to ensure the development of important services and technical applications and upgrade our installed equipment and software.
- *Grow Business Aviation.* To grow our BA business, we intend to increase the penetration of Gogo Biz, offer additional revenue-generating services over our ATG network, develop new and innovative equipment offerings such as the Aircell Smartphone and continue to provide superior customer care.
- *Expand Internationally.* We intend to grow internationally by leveraging our strong commercial aviation partnerships and flexible technology to capitalize on the large transoceanic and international in-flight opportunity, utilizing our relationships with existing domestic airlines to help us to partner with members of the major global airline alliances outside North America and providing Inmarsat's Global Xpress or other satellite broadband service to the international commercial airline and business aviation markets.

Our Risks

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully under the caption "Risk Factors," and include but are not limited to the following:

- our business is dependent upon our connectivity agreements with our airline partners which allow us to provide the Gogo service to our customers, the airlines' passengers;
- we have incurred operating losses in every quarter since we launched the Gogo service, and we may not be able to generate sufficient revenue in the future to generate operating income;
- we will experience significant capacity constraints by the second half of 2013, and we may experience significant capacity constraints earlier unless we and our airline partners successfully implement our "technology roadmap" including the timely adoption and installation of our ATG-4 service;

- among other risks associated with the American Airlines bankruptcy proceedings, the Bankruptcy Code allows American to reject its contracts, including its connectivity agreement with us. In addition, American may make reductions or other changes to its fleet, including the elimination of Gogo-equipped aircraft or aircraft scheduled for installation of the Gogo service;
- we expect to rely more heavily on satellite technology in the future, which may diminish the benefit of the technological advantage our ATG network currently provides us; and
- our international expansion will require the use of satellite technology, and we may not have a scalable solution for providing broadband internet access to airlines internationally unless we enter into a definitive agreement with Inmarsat and until the launch of the first Inmarsat-5 satellite, which is currently scheduled for mid-2013. Certain competitors, including Panasonic Avionics, Row 44 and OnAir, are currently offering satellite-based broadband internet internationally, and other competitors may be able to offer these services sooner.

Organizational Structure and History

Gogo Inc. is a holding company that does business through its two operating subsidiaries, Gogo LLC and Aircell Business Aviation Services LLC, and holds its FCC license through a third subsidiary, AC BidCo LLC.

Air-cell, Inc. was incorporated in Texas on June 11, 1991 to develop and market airborne telecommunication systems for the business aviation market, and on December 10, 1996 merged with Aircell, Inc., a Delaware corporation. AC HoldCo LLC and its subsidiary AC BidCo LLC, were formed as Delaware limited liability companies on March 20, 2006. During 2006, Aircell, Inc. and AC HoldCo LLC entered into a series of agreements to pursue the FCC license governing our ATG spectrum and to provide capital to develop and operate our ATG network. In June 2006, AC BidCo LLC won the spectrum auction, and the FCC license was issued on October 21, 2006. On January 31, 2007, Aircell, Inc. converted to a limited liability company (Aircell LLC) and was acquired by AC HoldCo LLC. On June 3, 2008, Aircell Business Aviation Services LLC was formed as a separate operating subsidiary. Aircell Holdings Inc. was formed on December 31, 2009 via a two-step merger resulting in a conversion of AC HoldCo LLC into Aircell Holdings Inc., a Delaware corporation. The underlying corporate structure of the company did not change and included the same limited liability company subsidiaries that existed under AC HoldCo LLC as of the date of the two-step merger. On June 15, 2011, Aircell Holdings Inc. changed its name to Gogo Inc. and Aircell LLC changed its name to Gogo LLC.

Principal Stockholders

As of February 29, 2012, AC Acquisition I LLC and AC Acquisition II LLC, or Ripplewood, owned approximately 38% of our outstanding common stock, on an as converted basis, and Oakleigh Thorne, including the entities affiliated with Mr. Thorne as described under “Principal and Selling Stockholders”, or the Thorne Entities, owned approximately 34% of our outstanding common stock, on an as converted basis. Following the completion of this offering and assuming that the underwriters do not exercise their option to purchase additional shares, Ripplewood and the Thorne Entities will own approximately % and % of our outstanding common stock, respectively.

Our Corporate Information

We are incorporated in Delaware and our corporate offices are located at 1250 North Arlington Heights Rd., Suite 500, Itasca, IL 60143. Our telephone number is (630) 647-1400. As of February 29, 2012, we had 462 full-time, non-union employees. Our website addresses are *www.gogoair.com* and *www.aircell.com*. None of the information contained on, or that may be accessed through, our websites or any other website identified herein is part of, or incorporated into, this prospectus. All website addresses in this prospectus are intended to be inactive textual references only.

Gogo®, Aircell®, Aircell Axxess®, the Gogo and Aircell logos, and other trademarks or service marks of Gogo Inc. and its subsidiaries appearing in this prospectus, are the property of Gogo Inc. or one of its subsidiaries. Trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply relationships with, or endorsements of us by, these other companies.

THE OFFERING

Common stock offered by us	shares
Common stock offered by selling stockholders	shares
Total common stock offered	shares
Option to purchase additional shares of common stock	The underwriters have a 30-day option to purchase an additional shares of common stock from us and the selling stockholders to cover over-allotments, if any.
Common stock to be outstanding after this offering	shares
Use of proceeds	We intend to use the net proceeds we receive from this offering for working capital and other general corporate purposes, including costs associated with international expansion. We will not receive any proceeds from the sale of shares by the selling stockholders. See "Use of Proceeds."
Risk factors	See "Risk Factors" for a discussion of factors that you should consider carefully before deciding to invest in shares of our common stock.
Proposed NASDAQ Global Market trading symbol	"GOGO"

The number of shares of our common stock to be outstanding immediately following this offering is based on the number of our shares of common stock outstanding as of , but excludes:

- shares of common stock issuable upon exercise of options outstanding as of at a weighted average exercise price of $ per share;
- shares of common stock reserved for future issuance under our stock option plan.

Unless otherwise indicated, all information in this prospectus:

- reflects a for 1 stock split of our shares of common stock;
- reflects the conversion of all outstanding shares of our Class A Senior Convertible Preferred Stock, Class B Senior Convertible Preferred Stock and Junior Convertible Preferred Stock into shares, in the aggregate, of our common stock upon the closing of this offering;
- reflects 7,975 shares of common stock (on a pre-stock split basis) issued to AC Management LLC, an affiliate of the Company whose units are owned by members of our management. Gogo Inc. is the managing member of AC Management LLC, and thereby controls AC Management LLC, and as a result AC Management LLC is consolidated into our consolidated financial statements. As a result of such consolidation, the 7,975 shares are not considered outstanding for purposes of our financial statements, including net income (loss) per share attributable to common stock;
- gives effect to the issuance of shares of common stock in this offering;
- reflects the sale of shares of common stock by the selling stockholders named in this prospectus in this offering;

- assumes no exercise by the underwriters of their option to purchase additional shares;
- assumes that the initial public offering price of our common stock will be $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus); and
- gives effect to amendments to our certificate of incorporation and bylaws to be adopted prior to the completion of this offering.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER OPERATING DATA

The following tables provide a summary of our historical financial and other operating data for the periods indicated. You should read this information together with "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes, which are included elsewhere in this prospectus.

The consolidated statement of operations data and other financial data for the years ended December 31, 2009, 2010 and 2011 and the consolidated balance sheet data as of December 31, 2010 and 2011 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of our results to be expected in any future period. The other operating data as of and for the years ended December 31, 2009, 2010 and 2011, have been derived from our operating information used by management.

	Year Ended December 31,		
	2009	2010	2011
	(in thousands, except per share amounts)		
Consolidated Statements of Operations Data:			
Revenue:			
Service revenue	$ 15,626	$ 58,341	$ 103,918
Equipment revenue	21,216	36,318	56,238
Total revenue	36,842	94,659	160,156
Operating expenses:			
Cost of service revenue (exclusive of items shown below)	37,903	46,474	54,605
Cost of equipment revenue (exclusive of items shown below)	9,874	14,919	23,240
Engineering, design and development	21,901	19,228	22,245
Sales and marketing	27,762	23,624	25,116
General and administrative	28,340	36,384	36,101
Depreciation and amortization	21,898	30,991	32,673
Total operating expenses	147,678	171,620	193,980
Operating loss	(110,836)	(76,961)	(33,824)
Other (income) expense:			
Interest expense	30,067	37	280
Interest income	(214)	(98)	(72)
Fair value derivative adjustments	—	33,219	(58,740)
Loss on extinguishment of debt	1,577	—	—
Other expense	—	—	40
Total other (income) expense	31,430	33,158	(58,492)
Income (loss) before income tax provision	(142,266)	(110,119)	24,668
Income tax provision	—	3,260	1,053
Net income (loss)	(142,266)	(113,379)	23,615
Class A and Class B senior convertible preferred stock return	—	(18,263)	(31,331)
Accretion of preferred stock	—	(8,501)	(10,181)
Net loss attributable to common stock[1]	$ (142,266)	$ (140,143)	$ (17,897)
Net loss per share attributable to common stock[2]:			
Basic	$ (2,155.55)	$ (2,123.38)	$ (271.17)
Diluted	$ (2,155.55)	$ (2,123.38)	$ (271.17)
Weighted average shares used in computing net loss per share attributable to common stock:			
Basic	66	66	66
Diluted	66	66	66

	Year Ended December 31,		
	2009	2010	2011
	(in thousands, except per share amounts)		
Pro forma net income (loss) per share attributable to common stock[2][3][4]:			
Basic			
Diluted			
Weighted average common shares used in computing pro forma net income (loss) per share attributable to common stock[3][4]:			
Basic			
Diluted			

	As of December 31,		
	2010 actual	2011 actual	2011 as adjusted[6]
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 18,883	$ 42,591	
Working capital[5]	12,459	31,314	
Total assets	236,940	285,636	
Indebtedness and long-term capital leases, net of current portion	2,000	2,224	2,224
Total liabilities	113,928	87,846	78,206
Convertible preferred stock	453,385	551,452	—
Total stockholders' equity (deficit)	(330,373)	(353,662)	

	Year Ended December 31,		
	2009	2010	2011
Other Financial Data:			
EBITDA (in thousands)[7]	$ (90,515)	$(105,953)	$ 16,037
Adjusted EBITDA (in thousands)[7]	$ (88,618)	$ (44,878)	$ (852)
Other Operating Data[8]:			
Commercial Aviation			
Aircraft online	692	1,056	1,345
Gross passenger opportunity (GPO) (in thousands)	59,804	152,744	192,074
Total average revenue per passenger (ARPP)	$ 0.15	$ 0.32	$ 0.43
Business Aviation			
Satellite aircraft online	4,311	4,553	4,733
ATG aircraft online	49	318	860
Average monthly service revenue per satellite aircraft online	$ 124	$ 127	$ 131
Average monthly service revenue per ATG aircraft online	$ 488	$ 1,530	$ 1,791
Satellite units shipped	460	574	618
ATG units shipped	139	374	613
Average equipment revenue per satellite unit shipped (in thousands)	$ 32	$ 33	$ 39
Average equipment revenue per ATG unit shipped (in thousands)	$ 37	$ 44	$ 48

(1) Prior to December 31, 2009, we operated as a limited liability company under the name AC HoldCo LLC.

(2) Does not reflect 7,975 shares (actual) and shares (pro forma) of common stock issued to AC Management LLC, an affiliate of the Company whose units are owned by members of our management. Gogo Inc. is the managing member of AC Management LLC, and thereby controls AC Management LLC, and as a result AC Management LLC is consolidated into our consolidated financial statements. As a result of such consolidation, the common shares held by AC Management LLC are not considered outstanding for purposes of our financial statements, including basic net loss per share attributable to common stock.

(3) Reflects a for 1 stock split of our outstanding shares of common stock to be effected prior to the completion of this offering.

(4) Pro forma net income (loss) per share attributable to common stock holders and number of weighted average common shares used in computing pro forma net income (loss) per share attributable to common stock in the table above give effect to (i) this offering and (ii) the conversion of all of our outstanding convertible preferred stock into common stock upon the closing of this offering as if such conversion had occurred as of January 1, or upon issuance, if later.

(5) We define working capital as total current assets less total current liabilities.

(6) As adjusted balance sheet data gives effect to the issuance of shares of common stock in this offering at an initial public offering price of $ per share as if it had occurred on December 31, 2011.

(7) EBITDA represents net income (loss) attributable to common stock before income taxes, interest income, interest expense, depreciation expense and amortization of other intangible assets. Adjusted EBITDA represents EBITDA adjusted for (i) fair value derivative adjustments, (ii) preferred stock dividends, (iii) accretion of preferred stock, (iv) stock-based compensation expense, (v) amortization of deferred airborne lease incentives and (vi) loss on extinguishment of debt. EBITDA and Adjusted EBITDA are financial data that are not calculated in accordance with accounting principles generally accepted in the United States of America (GAAP). The table below provides a reconciliation of these non-GAAP financial measures to net income (loss) attributable to common stock. EBITDA and Adjusted EBITDA should not be considered as an alternative to net income (loss) attributable to common stock, operating loss or any other measure of financial performance calculated and presented in accordance with GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of other companies because other companies may not calculate Adjusted EBITDA or similarly titled measures in the same manner as we do. We encourage you to evaluate these adjustments and the reasons we consider them appropriate, as well as the material limitations of non-GAAP measures and the manner in which we compensate for those limitations.

Our management uses Adjusted EBITDA (a) as a measure of operating performance; (b) as a performance measure for determining management's incentive compensation; (c) as a measure for allocating resources to our operating segments; and (d) in communications with our board of directors concerning our financial performance. Our management believes that the use of Adjusted EBITDA eliminates items that, management believes, have less bearing on our operating performance, thereby highlighting trends in our core business which may not otherwise be apparent. It also provides an assessment of controllable expenses, which are indicators management uses to determine whether current spending decisions need to be adjusted in order to meet financial goals and achieve optimal financial performance. We also present Adjusted EBITDA in this prospectus as a supplemental performance measure because we believe that this measure provides investors and securities analysts with important supplemental information with which to evaluate our performance and to enable them to assess our performance on the same basis as management.

Material limitations of non-GAAP measures
Although EBITDA and Adjusted EBITDA are measurements frequently used by investors and securities analysts in their evaluations of companies, EBITDA and Adjusted EBITDA each have limitations as an analytical tool, and you should not consider them in isolation or as a substitute for, or more meaningful than, amounts determined in accordance with GAAP.

Some of these limitations are:

- they do not reflect interest income or expense;
- they do not reflect cash requirements for our income taxes;
- they do not reflect depreciation and amortization, which are significant and unavoidable operating costs given the level of capital expenditures needed to maintain the Company's business;
- they do not reflect non-cash components related to employee compensation; and
- other companies in our or related industries may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.

Management compensates for the inherent limitations associated with the EBITDA and Adjusted EBITDA measures through disclosure of such limitations, presentation of our financial statements in accordance with GAAP and reconciliation of EBITDA and Adjusted EBITDA to the most directly comparable GAAP measure, net income (loss) attributable to common stock. Further, management also reviews GAAP measures and evaluates individual measures that are not included in Adjusted EBITDA such as our level of capital expenditures, equity issuances and interest expense, among other measures.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to net loss attributable to common stock, the most comparable GAAP measure for each of the periods indicated:

	Year Ended December 31,		
	2009	2010	2011
		(in thousands)	
Net loss attributable to common stock	$(142,266)	$(140,143)	(17,897)
Interest expense	30,067	37	280
Interest income	(214)	(98)	(72)
Income tax provision	—	3,260	1,053
Depreciation and amortization	21,898	30,991	32,673
EBITDA	$ (90,515)	$(105,953)	16,037

	Year Ended December 31,		
	2009	2010	2011
		(in thousands)	
Fair value derivative adjustments	—	33,219	(58,740)
Class A and Class B senior convertible preferred stock return	—	18,263	31,331
Accretion of preferred stock	—	8,501	10,181
Stock-based compensation expense	320	1,614	1,795
Amortization of deferred airborne lease incentives[(a)]	—	(522)	(1,456)
Loss on extinguishment of debt	1,577	—	—
Adjusted EBITDA	$(88,618)	$(44,878)	$ (852)

(a) See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Components of Consolidated Statements of Operations—Cost of Service Revenue—Commercial Aviation" for a discussion of the accounting treatment of deferred airborne lease incentives.

(8) ***Commercial Aviation***

Aircraft online. We define aircraft online as the total number of commercial aircraft on which our ATG network equipment is installed and Gogo service has been made commercially available as of the last day of each period presented.

Gross passenger opportunity ("GPO"). We define GPO as the estimated aggregate number of passengers who board commercial aircraft on which Gogo service has been made available for the period presented. We calculate passenger estimates by multiplying the number of flights flown by Gogo-equipped aircraft, as published by Air Radio Inc. (ARINC), by the number of seats on those aircraft, and adjusting the product by a passenger load factor for each airline, which represents the percentage of seats on aircraft that are occupied by passengers. Load factors are provided to us by our airline partners and are based on historical data.

Total average revenue per passenger ("ARPP"). We define ARPP as revenue from Gogo Connectivity, Gogo Vision, Gogo Signature Services and other service revenue for the period, divided by GPO for the period.

Business Aviation

Satellite aircraft online. We define satellite aircraft online as the total number of business aircraft on which we have satellite equipment in operation as of the last day of each period presented.

ATG aircraft online. We define ATG aircraft online as the total number of business aircraft on which we have ATG network equipment in operation as of the last day of each period presented.

Average monthly service revenue per satellite aircraft online. We define average monthly service revenue per satellite aircraft online as the aggregate satellite service revenue for the period, divided by the number of satellite aircraft online during the period (expressed as an average of the month end figures for each month in such period).

Average monthly service revenue per ATG aircraft online. We define average monthly service revenue per ATG aircraft online as the aggregate ATG service revenue for the period, divided by the number of ATG aircraft online during the period (expressed as an average of the month end figures for each month in such period).

Units shipped. We define units shipped as the total number of satellite or ATG network equipment units shipped during the period.

Average equipment revenue per satellite unit shipped. We define average equipment revenue per satellite unit shipped as the aggregate equipment revenue earned from all satellite shipments during the period, divided by the number of satellite units shipped.

Average equipment revenue per ATG unit shipped. We define average equipment revenue per ATG unit shipped as the aggregate equipment revenue from all ATG shipments during the period, divided by the number of ATG units shipped.

RISK FACTORS

Investing in our common stock involves substantial risks. In addition to the other information in this prospectus, you should carefully consider the following risk factors before investing in our common stock. As described more fully below, our business is subject to risks and uncertainties that fall in the following categories:

- Risks Related to Our CA Business;
- Risks Related to Our BA Business;
- Risks Related to Our Technology and Intellectual Property and Regulation;
- Risks Related to Our Business and Industry; and
- Risks Related to the Offering and Our Common Stock.

Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also materially adversely affect our business, financial condition or results of operations. We cannot assure you that any of the events discussed in the risk factors below, or other risks, will not occur. If they do, our business, financial condition and results of operations could be materially adversely affected. In such case, the trading price of our common stock could decline, and you could lose all or part of your investment.

Risks Related to Our CA Business

We are dependent on existing agreements with our airline partners to be able to access our customers. Payments by these customers for our services have provided, and we expect will continue to provide, a significant portion of our revenue. Our failure to realize the anticipated benefits from these agreements on a timely basis or to renew any of these agreements upon expiration or termination could have a material adverse effect on our financial condition and results of operations.

Under existing contracts with nine North American airlines, we provide ATG equipment for installation on, and provide our Gogo service to passengers on, all or a portion of these airlines' North American fleets. For the year ended December 31, 2011, the Gogo service we provide to passengers on aircraft operated by these airlines generated approximately 52% of our consolidated revenue. Our growth is dependent on our ability to have our equipment installed on additional aircraft and increased use of the Gogo service on installed aircraft. Any delays in installations under these contracts may negatively affect our ability to grow our user base and revenue. In addition, we have no assurance that any of our current airline partners will renew their existing contracts with us upon expiration, or that they will not terminate their contracts prior to expiration upon the occurrence of certain contractually stipulated events. Contractual termination events include our material breach of contract, including material breach of our service level agreements, and our bankruptcy. Additionally, our contracts with airline partners from which we derive a majority of our CA segment revenue permit each of these airline partners to terminate its contract with us if another company provides an alternate connectivity service that is a material improvement over Gogo Connectivity, such that failing to adopt such service would likely cause competitive harm to the airline, or if the percentage of passengers using Gogo Connectivity on such airline's flights falls below certain negotiated thresholds. In addition, one contract with an airline partner from which we derive a significant minority of our CA segment revenue permits such airline partner to terminate its contract with us if the airline's revenue share falls below certain negotiated thresholds based on the airline's costs incurred to provide the service and Gogo elects to not make the airline whole for such revenue share shortfall. To the extent that our airline partners terminate or fail to renew their contracts with us for any reason, our business prospects, financial condition and results of operations would be materially adversely affected.

A failure to maintain airline satisfaction with our ATG equipment or the Gogo service could have a material adverse effect on our revenue and results of operations.

Our relationships with our airline partners are critical to the growth and ongoing success of our business. For the year ended December 31, 2011, use of the Gogo service by passengers flying on Delta Air

Lines aircraft accounted for approximately 44% of revenue generated by our CA segment and use of the Gogo service by passengers flying on American Airlines aircraft accounted for approximately 19% of revenue generated by our CA segment. If our airline partners are not satisfied with our ATG equipment or the Gogo service, they may reduce efforts to co-market the Gogo service to their passengers, which could result in lower passenger usage and reduced revenue, which could in turn give certain airlines the right to terminate their contracts with us. In addition, airline dissatisfaction with us for any reason could negatively affect our ability to have our equipment installed and provide the Gogo service on additional aircraft. Any of these events would adversely affect our results of operations and growth prospects.

If we are unable to successfully implement planned or future technology enhancements to increase our network capacity, or our airline partners do not agree to such enhancements, our ability to maintain sufficient network capacity and our business could be materially and adversely affected.

We are in the process of implementing a plan, our "technology roadmap," that is intended to enhance our existing ATG network to meet increasing capacity demands through a number of improvements, including cell-site splitting, the use of ATG-4 and, in the future, the use of Ka-band and/or other satellite-based solutions. We currently expect to roll out the next stage of our technology roadmap, our ATG-4 service, during the second half of 2012 with certain of our airline partners. We are obligated, under certain of our contracts with airline partners, to bear costs of upgrading certain aircraft from ATG to ATG-4 and our associated costs under any such contract would be material. If we are unable to implement enhancements to our network infrastructure, including those called for by our technology roadmap, on a timely or cost-effective basis, or at all, or our airline partners do not agree to install additional or new equipment necessary to support these efforts, we will experience significant capacity constraints by the second half of 2013. In addition, the successful roll-out of our technology roadmap requires the use of satellite and additional ATG technology, which may currently, or in the future, not be available on a cost-effective or timely basis, or at all. Implementation of satellite solutions will depend on the availability of capacity from satellite service providers and regulatory approvals for aeronautical services using those satellites. Further, we may experience unanticipated delays, complications, and expenses in implementing, integrating, and operating our systems using these new technologies. Any interruptions in operations during periods of implementation could adversely affect our ability to maintain satisfactory service levels, properly allocate resources and process billing information in a timely manner, which could result in customer dissatisfaction, reputational harm, termination of key contracts and delayed or reduced cash flow. Additionally, satellite-based solutions generally have installed equipment that is heavier than ATG equipment, thus increasing drag and fuel costs, which could make them less attractive to our airline partners. Accordingly, to the extent that we rely on satellite-based solutions in the future, our airline partners may become less satisfied with our services or we may find it more difficult to attract new airline partners. If we are unable to implement our technology roadmap, or other network enhancements, on a timely and cost-effective basis, or at all, for any reason, including a failure to obtain necessary regulatory approvals, or our airline partners do not agree to adopt such enhancements, our business prospects and results of operations may be materially adversely affected.

Our network infrastructure and bandwidth may not be able to accommodate the expected growth in demand for in-flight broadband service.

The success of our CA segment depends on our ability to provide adequate bandwidth to meet customer demands while in-flight. Penetration of mobile Wi-Fi devices is increasing significantly and, as a result, we expect demand for in-flight broadband services to grow considerably. Further, applications and activities that require substantial bandwidth and that could slow our in-cabin network, such as file downloads and streaming media content, are becoming increasingly common. An increasing number of passengers accessing Gogo services for bandwidth-intensive uses on an increasing number of airplanes requires us to expand our network infrastructure in order to meet capacity demands. Our ATG network is inherently limited by the spectrum licensed from the FCC. To the extent that a large number of passengers are attempting to access the Gogo service on a single plane, or a large number of planes are flying within range of a single cell site within our ATG network, we may be unable to maintain sufficient capacity in our network infrastructure or available bandwidth

to adequately service passenger demand. If the demand exceeds our available capacity, the Gogo service on such airplane (or airplanes) may operate slowly or not at all. Our network is experiencing capacity constraints on certain flights. Unless our airline partners adopt, and we are able to successfully install, our ATG-4 service on the expected timeline, based on current projections for increased demands on network capacity, we expect to experience significant capacity constraints by the second half of 2013, although we may experience significant capacity constraints earlier. If our network experiences capacity constraints and the Gogo service slows down, or does not operate at all, it could harm our reputation with customers, our airline partners could terminate their contracts with us for a failure to meet our service level agreements or we could be unable to enter into new contracts with other airline partners. If we fail to meet capacity demands our business prospects and results of operations may be materially adversely affected.

Our business is highly dependent on the airline industry, which is itself affected by factors beyond the airlines' control. The airline industry is highly competitive and sensitive to changing economic conditions.

Our business is directly affected by the number of passengers flying on commercial aircraft, the financial condition of the airlines and other economic factors. If consumer demand for air travel declines, including due to increased use of technology such as videoconferencing for business travelers, or the number of aircraft and flights shrinks due to, among other reasons, reductions in capacity by airlines, the number of passengers available to use the Gogo service will be reduced, which would have a material adverse effect on our business and results of operations. Unfavorable general economic conditions and other events that are beyond the airlines' control, including higher unemployment rates, higher interest rates, reduced stock prices, reduced consumer and business spending and terrorist attacks or threats could have a material adverse effect on the airline industry. A general reduction or shift in discretionary spending can result in decreased demand for leisure and business travel and lead to a reduction in airline flights offered and the number of passengers flying. For example, the economic turmoil that started in 2008 and resulted in an overall decrease in demand for air transportation in the United States, coupled with record high fuel prices, required airlines to take significant steps to reduce their overall capacity. Certain of our domestic airline partners have recently announced plans to reduce capacity in anticipation of decreased customer demand and other airlines may reduce capacity, which could have a significant negative impact on our business for an extended period of time. Consolidation within the airline industry, including acquisitions of our airline partners by commercial airlines with which we do not currently have connectivity agreements, could also adversely affect our relationships with our existing airline partners or lead to Gogo-equipped aircraft being taken out of service. Further, unfavorable economic conditions could also limit airlines' ability to counteract increased fuel, labor or other costs though raised prices. Our airline partners operate in a highly competitive business market and, as a result, continue to face pressure on offerings and pricing. These unfavorable conditions and the competitiveness of the air travel industry could cause one or more of our airline partners, including one or more of the airlines we are dependent upon for a material portion of our revenue, to reduce expenditures on passenger services including deployment of the Gogo service or file for bankruptcy. If one or more of our airline partners were to file for bankruptcy, bankruptcy laws could give them rights to terminate their contracts with us, they could reduce their total fleet size and capacity and/or their total number of flights, and/or they could attempt to renegotiate the terms of their contracts with us including their revenue share percentage. Any of these events would have a material adverse effect on our business prospects, financial condition and results of operations.

The recent bankruptcy filing of American Airlines could have a material adverse affect on our revenue and results of operations.

On November 29, 2011, American Airlines, filed for reorganization under Chapter 11 of the United States Bankruptcy Code. Use of the Gogo service by passengers flying on American Airlines aircraft accounted for approximately 19% of our CA revenue for the year ended December 31, 2011. While American Airlines has announced that it will continue to operate its business and fly normal flight schedules, there can be no assurance that the filing will not have a material adverse affect on our revenue or results of operations in the short- or long-term. Under the Bankruptcy Code, American Airlines may reject certain of its contracts, including its

connectivity agreement with us, or may use this possibility to renegotiate the terms of those contracts. In addition, American Airlines may make reductions or other changes to its fleet, including the elimination of its older or less efficient aircraft, which may represent a material portion of its Gogo equipped fleet, or may take planes scheduled for installation of Gogo equipment out of service. In each case, our future revenue would decrease and our growth prospects and results of operations could be materially adversely affected to the extent that such aircraft are not proximately replaced with new Gogo-equipped aircraft.

We may not be able to grow our business with current airline partners or successfully negotiate agreements with airlines to which we do not currently provide the Gogo service.

We are currently in negotiations or discussions with certain of our airline partners to provide our ATG equipment and the Gogo service on additional aircraft in their fleets. We have no assurance that these efforts will be successful. We are also in discussions with other airlines to provide our ATG equipment and the Gogo service to some or all of the aircraft flying their North American routes. Negotiations with prospective airline partners require substantial time, effort and resources. The time required to reach a final agreement with an airline is unpredictable and may lead to variances in our operating results from quarter to quarter. We may ultimately fail in our negotiations and any such failure could harm our results of operations due to, among other things, a diversion of our focus and resources, actual costs and opportunity costs of pursuing these opportunities. In addition, the terms of any future agreements could be materially different and less favorable to us than the terms included in our existing agreements with our airline partners. To the extent that any negotiations with current or potential airline partners are unsuccessful, or any new agreements contain terms that are less favorable to us, our growth prospects could be materially and adversely affected. In addition, to the extent that we enter into agreements with new airline partners, we may be required by the terms of our existing agreements to offer the terms of such new agreements to our existing airline partners.

Competition from a number of companies could result in price reduction, reduced revenue and loss of market share and could harm our results of operations.

We face competition from satellite-based providers of broadband services that include in-flight internet and live television services. Competition from such providers has had in the past and could have in the future an adverse effect on our ability to maintain or gain market share. Some of our competitors are larger, more diversified corporations and have greater financial, marketing, production, and research and development resources. As a result, they may be better able to withstand the effects of periodic economic downturns or may offer a broader product line to customers. Competition within the in-flight broadband internet access and in-cabin digital entertainment markets may also subject us to downward pricing pressures. Pricing at too high a level could adversely affect the rate of consumer acceptance for the Gogo service, while increased competition could force us to lower our prices or lose market share and could adversely affect growth prospects and profitability. Competition could increase our sales and marketing expenses and related customer acquisition costs. We may not have the financial resources, technical expertise or marketing and support capabilities to continue to compete successfully. A failure to effectively respond to established and new competitors could have a material adverse impact on our business and results of operations.

In the future, improvements in satellite technology and our increased reliance on satellite technology could lessen the competitive advantage we believe our ATG network currently provides to us.

We believe our ATG spectrum license from the FCC and our ATG network provide us with a current technological advantage over competitors in North America. However, as satellite technology improves and next generation satellite services become available, this advantage may lessen or be eliminated. Further, in the future, we expect to rely more heavily on satellite technology as our current ATG network experiences increasing capacity constraints, which will further diminish the benefit of the technological advantage that we believe our ATG network provides to us in North America. In addition, competitors or potential competitors may attempt to provide a similar service over a ground-based network using spectrum not currently designated for air-to-ground services, or may provide services that we do not currently provide and may not provide in the future.

Our CA business has a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

Prior to August 2008, our operations were limited to our BA segment. We launched our Gogo Connectivity service in August 2008 and had fewer than 300 commercial aircraft online as of June 2009. In addition, both Gogo Vision and our in-air multimedia platform, which provides the majority of our Gogo Signature Services, were not launched until the second half of 2011. The limited operating history of our CA business may make it difficult to accurately evaluate the CA business and predict its future performance, and the growth of our CA business since inception is not necessarily indicative of potential future growth. Any assessments of our current business and predictions that we or you make about our future success or viability may not be as accurate as they could be if we had a longer operating history. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, and the size and nature of our market opportunity will change as we scale our business and increase deployment of the Gogo service. In addition, we may encounter market and technological changes over which we may have no control, and we may not have the requisite size or experience necessary to address any such changes. If we do not address any of the foregoing risks successfully, our business will be harmed.

We face limitations on our ability to grow our domestic operations which could harm our operating results and financial condition.

Our addressable market and our ability to expand domestically at our current rate of growth are inherently limited by various factors, including limitations on the number of U.S. commercial airlines with which we could partner, the number of planes in which our equipment can be installed, the passenger capacity within each plane and the ability of our network infrastructure or bandwidth to accommodate increasing capacity demands. Expansion is also limited by our ability to develop new technologies and successfully implement our technology roadmap on a timely and cost-effective basis. Our growth may slow, or we may stop growing altogether, to the extent that we have exhausted all potential airline partners and as we approach installation on full fleets and maximum penetration rates on all flights. To continue to grow our domestic revenue if and when Gogo Connectivity gains wider acceptance and we reach maximum penetration, we will have to rely on customer adoption of new services and additional offerings, including Gogo Vision and Gogo Signature Services. We cannot assure you that we will be able to profitably expand our existing market presence or establish new markets and, if we fail to do so, our business and results of operations could be materially adversely affected.

We may be unsuccessful in generating revenue from Gogo Vision and Gogo Signature Services.

We are currently working with our airline partners to develop a suite of offerings, the Gogo Signature Services, that will be available to passengers through the Gogo in-air homepage. We expect these offerings to include merchandise deals and targeted internet access offered by content providers, advertisers and e-commerce retailers, which we collectively refer to as our media partners. We also have rolled out Gogo Vision with two airline partners, we have agreed to launch Gogo Vision on US Airways and we are in discussions with other airline partners to add Gogo Vision to the suite of services offered to their passengers. We are working to increase the number of on-demand movies and television shows and the variety of other content available on Gogo Vision. The future growth prospects for our CA business depend, in part, on revenue from advertising fees and e-commerce revenue share arrangements on passenger purchases of goods and services through Gogo Signature Services, and on passengers paying for Gogo Vision on-demand video content. Our ability to generate revenue from Gogo Vision and Gogo Signature Services depends on:

- growth of our customer base;
- our customer base being attractive to media partners;
- rolling out Gogo Vision on more aircraft and with additional airline partners and increasing passenger adoption;

- establishing and maintaining beneficial contractual relationships with media partners whose content, products and services are attractive to airline passengers; and
- our ability to customize and improve our Gogo Signature Service offerings in response to trends and customer interests.

If we are unsuccessful in generating revenue from Gogo Vision and Gogo Signature Services, it could have a material adverse effect on our growth prospects.

We may be unsuccessful in expanding our operations internationally, which could harm the growth of our business, operating results and financial condition.

Our ability to expand internationally involves various risks, including the need to invest significant resources in unfamiliar markets, and the possibility that there may not be returns on these investments in the near future or at all. In addition, we have incurred and expect to continue to incur expenses before we generate any material revenue in these new markets. Our expansion plans will require significant management attention and resources. Our CA segment has limited experience in selling our solutions in international markets or in conforming to local cultures, standards or policies. Expansion of international marketing and advertising efforts could lead to a significant increase in our marketing and advertising expenses and would increase our customer acquisition costs. We may not be able to compete successfully in these international markets. Our ability to expand will also be limited by the demand for in-flight broadband internet access in international markets. Different privacy, censorship, aerospace and liability standards and regulations and different intellectual property laws and enforcement practices in foreign countries may cause our business and operating results to suffer.

Any future international operations may fail to succeed due to risks inherent in foreign operations, including:

- different technological solutions for broadband internet than those used in North America;
- varied, unfamiliar and unclear legal and regulatory restrictions;
- unexpected changes in international regulatory requirements and tariffs;
- legal, political or systemic restrictions on the ability of U.S. companies to do business in foreign countries, including restrictions on foreign ownership of telecommunications providers;
- inability to find content or service providers to partner with on commercially reasonable terms, or at all;
- Foreign Corrupt Practices Act compliance and related risks;
- difficulties in staffing and managing foreign operations;
- currency fluctuations;
- potential adverse tax consequences; and
- fewer transatlantic flights due to continuing economic turmoil in Europe.

As a result of these obstacles, we may find it difficult or prohibitively expensive to grow our business internationally or we may be unsuccessful in our attempt to do so, which could harm our future operating results and financial condition.

In addition, international expansion of in-flight broadband internet access will require the use of satellite technology. Pursuant to a memorandum of understanding, dated November 28, 2011, with Inmarsat S.A., we would be one of two providers of Inmarsat's Global Xpress broadband internet access to international aircraft fleets using Inmarsat's Ka-band satellite service. Assuming that we enter into a definitive agreement with Inmarsat, given the potentially extended lead time and cost necessary to implement Inmarsat's Ka-band satellite

solution, potential delays in launching Inmarsat's services (due to, among other things, any inability to launch its satellites into orbit or obtain necessary regulatory approvals), the fact that we would not be the exclusive provider of Inmarsat satellite service and the inherent uncertainties discussed above regarding international expansion generally, we may not realize any of the expected benefits from an agreement with Inmarsat, and, as a result, our growth prospects would be materially and adversely affected. To the extent that we fail to enter into a definitive agreement with Inmarsat, Inmarsat's service does not satisfy our or our airline partners' needs for any reason, including delays in the launch of the first Inmarsat-5 satellite, our agreement with Inmarsat does not yield the expected benefits, we fail to meet sales targets and milestones set forth in the definitive agreement or we otherwise fail to maintain a good working relationship with Inmarsat, we may in the future be forced to seek other providers of satellite service to support our international expansion plans. There can be no assurance that we would be able to find an alternate supplier of satellite service under those circumstances.

A future act or threat of terrorism or other events could result in a prohibition on the use of Wi-Fi enabled devices on aircraft.

A future act of terrorism, the threat of such acts or other airline accidents could have an adverse effect on the airline industry. In the event of a terrorist attack, terrorist threats or unrelated airline accidents, the industry would likely experience significantly reduced passenger demand. The U.S. federal government could respond to such events by prohibiting the use of Wi-Fi enabled devices on aircraft, which would eliminate demand for our equipment and service. In addition, any association or perceived association between our equipment or service and accidents involving aircraft on which our equipment or service operates would likely have an adverse effect on demand for our equipment and service. Reduced demand for our products and services would adversely affect our business prospects, financial condition and results of operations.

Air traffic congestion at airports, air traffic control inefficiencies, weather conditions, such as hurricanes or blizzards, increased security measures, new travel-related taxes, the outbreak of disease or any other similar event could harm the airline industry.

Airlines are subject to cancellations or delays caused by factors beyond their control. Cancellations or delays due to weather conditions or natural disasters, air traffic control problems, breaches in security or other factors could reduce the number of passengers on commercial flights and thereby reduce demand for the Gogo service and harm our business, results of operations and financial condition.

Risks Related to Our BA Business

Equipment sales to original equipment manufacturers (OEMs) and after-market dealers account for the substantial majority of our revenue and earnings in the BA segment, and the loss of an OEM or dealer customer could materially and adversely affect our business and profitability.

Revenue from equipment sales on contracts with OEMs and after-market dealers accounted for more than 70% of revenue generated by our BA segment for each fiscal period presented in our consolidated financial statements included elsewhere in this prospectus, and 16% of revenue generated by our BA segment for the year ended December 31, 2011 was generated through our agreement with Gulfstream Aerospace Corporation. Almost all of our contracts with our OEM and dealer customers are terminable at will by either party and do not obligate our customers to purchase any of our equipment or services. If a key OEM or dealer terminates its relationship with us for any reason or our contract expires and is not renewed, we may not be able to replace or supplement such lost revenue with another OEM or dealer or other customers, which could materially and adversely affect our business and profitability.

Our OEM customers were materially adversely impacted by the economic downturn and market disruption that began in 2008 and may be similarly affected by current or future global macro-economic conditions. In anticipation of worsening economic conditions, our customers may be more conservative in their production, which would result

in fewer new aircraft available to receive our equipment. Further, unfavorable market conditions could cause one or more of our OEM customers to file for bankruptcy and suspend purchase of our equipment, which would have an adverse effect on our business prospects, financial condition and results of operations.

We face specific risks related to the provision of telecommunications and data services by satellite to BA customers.

We generated approximately 10% of total BA segment revenue from subscriptions for voice and data services provided via satellite for the year ended December 31, 2011. These voice and data services are provided in our BA segment through the resale on a non-exclusive basis of satellite-based telecommunications and data services owned and operated by a third party. We currently rely on a single satellite partner to provide these services to our BA customers and have a number of satellite resellers as our competitors. Our agreement with our satellite partner is short-term in nature and is subject to termination for convenience on 90 days notice. If this agreement were terminated, we could face material delays or interruptions in the provision of service to our customers. If our agreement with our satellite partner was terminated or expired and was not renewed, we may not be able to find an alternative satellite partner on terms that are acceptable to us, or at all. Further, if our satellite partner increased the fees it charges us for resale of its services and we could not pass these increased costs on to our customers, it would increase our cost of service revenue and adversely impact our business and results of operations.

We operate in highly competitive markets with competitors who may have greater resources than we possess, which could reduce the volume of products we can sell and our operating margins.

Our BA equipment and service are sold in highly competitive markets. Some of our competitors are larger, more diversified corporations and have greater financial, marketing, production, and research and development resources. As a result, they may be better able to withstand the effects of periodic economic downturns or may offer a broader product line to customers. Our operations and financial performance will be negatively impacted if our competitors:

- develop service that is superior to our service;
- develop service that is priced more competitively than our service;
- develop methods of more efficiently and effectively providing products and services; or
- adapt more quickly than we do to new technologies or evolving customer requirements.

We believe that the principal points of competition in our BA segment are technological capabilities, price, customer service, product development, conformity to customer specifications, quality of support after the sale and timeliness of delivery and installation. Maintaining and improving our competitive position will require continued investment in technology, manufacturing, engineering, quality standards, marketing and customer service and support. If we do not maintain sufficient resources to make these investments or are not successful in maintaining our competitive position, our operations and financial performance will suffer. In addition, competition may subject us to downward pricing pressures. Pricing at too high a level could adversely affect our ability to gain new customers and retain current customers, while increased competition could force us to lower our prices or lose market share and could adversely affect growth prospects and profitability. We may not have the financial resources, technical expertise or support capabilities to continue to compete successfully. A failure to respond to established and new competitors could have a material adverse impact on our business and results of operations.

We generally do not have guaranteed future sales of our equipment. Further, we enter into fixed price contracts with some of our customers, so we take the risk for cost overruns.

Many of our OEM customers may terminate their contracts with us on short notice and, in many cases, our customers have not committed to buy any minimum quantity of our equipment. In addition, in certain cases, we

must anticipate the future volume of orders based upon non-binding production schedules provided by OEMs, the historical purchasing patterns of customers, and informal discussions with customers as to their anticipated future requirements. Cancellations, reductions or delays by a customer or group of customers could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, pursuant to many of our contracts with our OEM customers, we have agreed to deliver equipment and/or services for a fixed price (which may be subject to recalculation or renegotiation in certain circumstances) and, accordingly, realize all the benefit or detriment resulting from any decreases or increases in the costs for making that equipment or providing that service. Also, we may accept a fixed-price contract for equipment that we have not yet produced, and the fact that we have not yet produced the equipment increases the risk of cost overruns or delays in the completion of the design and manufacturing of the product.

Many of the risks that could harm our CA business could also adversely affect our BA business.

For the year ended December 31, 2011, approximately 55% of the equipment revenue and approximately 64% of the service revenue for our BA segment was attributable to the sale of ATG equipment and subscriptions for our Gogo Biz in-flight broadband internet service, respectively. As such, many of the risks described above relating to CA and Gogo Connectivity could also have a material adverse effect on our BA business, including expected capacity constraints on our network in the near-term and our ability to successfully implement technology enhancements to our network.

Risks Related to Our Technology and Intellectual Property and Regulation

We are dependent on our right to use spectrum exclusively licensed to us.

In June 2006, we purchased at FCC auction an exclusive ten-year, 3 MHz license for ATG spectrum that expires in October 2016. Prior to expiration of the initial license term, we expect to apply to renew our license for an additional ten-year term without further payment. Any breach of the terms of our FCC license or FCC regulations including foreign ownership restrictions, permitted uses of the spectrum and compliance with Federal Aviation Administration (“FAA”) regulations, could result in the revocation, suspension, cancellation or reduction in the term of our license or a refusal by the FCC to renew the license upon its expiration. Further, in connection with an application to renew our license upon expiration, a competitor could file a petition opposing such renewal on anti-competitive or other grounds. Our ability to offer in-flight broadband internet access through our ATG service depends on our ability to maintain rights to use this ATG spectrum in the U.S. and our failure to do so would have a material adverse effect on our business and results of operations. Our ability to meet capacity demands, expand our service offerings and enter other geographical markets may depend upon obtaining sufficient rights to use additional means to provide in-flight internet connectivity including spectrum for ATG or satellite. Obtaining such spectrum can be a lengthy and costly process. We may not be able to license or maintain the spectrum necessary to execute our business strategy.

While our 3 MHz FCC license allows us to be the exclusive provider of ATG broadband connectivity and is one of our primary competitive advantages, the FCC could auction additional ATG spectrum in the future.

The FCC may in the future decide to auction additional spectrum for ATG use that is not currently designated for that purpose, or a competitor could develop technology or a business plan that allows it to cost effectively use spectrum not specifically reserved for ATG, but on which ATG use is not prohibited, to provide broadband connectivity. Recently, one of our suppliers filed a petition with the FCC requesting that the FCC designate certain spectrum, currently designated for non-ATG use, for use by ATG devices in an amount sufficient to accommodate more than one additional ATG network, though, under rules proposed by the petition, one provider could acquire all of the spectrum. If the FCC were to grant the petition and, as a result of the petition or otherwise, decide to auction off spectrum for ATG use and we failed to adequately secure rights to

such additional spectrum, the additional ATG spectrum, which may have greater capacity than our current spectrum, could be held by, or available for license to, our competitors. Additionally, a competitor currently holds rights to 1 MHz of ATG spectrum that could be made available to us or others for lease or sale, and we would be required to obtain a waiver of certain restrictions in the FCC's rules in order to purchase or lease this spectrum. In order to remain competitive, we may have to make significant expenditures to purchase or lease spectrum that is currently held by competitors or that is newly auctioned for ATG use. The availability of additional spectrum in the marketplace that is authorized for ATG use may reduce any technological advantage we may have over current and future competitors and increase the possibility that we may be forced to compete with one or more other ATG service providers in the future.

If we fail to comply with the Communications Act and FCC regulations limiting ownership and voting of our capital stock by non-U.S. persons we could lose our FCC license.

The Communications Act and FCC regulations impose restrictions on ownership of certain FCC licensees by non-U.S. persons. These requirements generally forbid more than 20% ownership or control of an FCC licensee holding spectrum used for common carrier purposes by non-U.S. persons directly and more than 25% ownership or control of an FCC licensee indirectly (e.g. through a parent company) by non-U.S. persons. The FCC classifies our ATG spectrum license as a common carrier license. Since we serve as a holding company for our subsidiary, AC BidCo LLC, which holds the ATG spectrum license, we are effectively restricted from having more than 25% of our capital stock owned or voted directly or indirectly by non-U.S. persons, including individuals or corporations, partnerships or limited liability companies organized outside the United States or controlled by non-U.S. persons. The FCC may, in certain circumstances and upon application for approval by the FCC, authorize such persons to hold equity in a licensee's parent in excess of the 25% cap if the FCC finds it to be in the public interest. We have established procedures to ascertain the nature and extent of our foreign ownership, and we believe that the indirect ownership of our equity by foreign persons or entities is below the benchmarks established by the Communications Act and FCC regulations. However, as a publicly traded company we may not be able to determine with certainty the exact amount of our stock that is held by foreign persons or entities at any given time. A failure to comply with applicable restrictions on ownership by non-U.S. persons could result in an order to divest the offending ownership, fines, denial of license renewal and/or license revocation proceedings against our subsidiary, AC BidCo LLC, by the FCC, any of which would likely have a material adverse effect on our results of operations.

We could be adversely affected if we suffer service interruptions or delays, technology failures or damage to our equipment.

Our brand, reputation and ability to attract, retain and serve our customers depend upon the reliable performance of our in-air website, network infrastructure, content delivery processes and payment systems. We have experienced interruptions in these systems in the past, including server failures that temporarily slowed down our website's performance and users' access to the internet, or made our website inaccessible, and we may experience service interruptions, service delays or technology or systems failures in the future, which may be due to factors beyond our control. In the past, service failures or delays of our website have been remedied by bypassing the payment processing step for users and directly connecting such users to the internet, leading to a loss of revenue for those sessions. If we experience frequent system or network failures, our reputation, brand and customer retention could be harmed, we may lose revenue to the extent that we have to bypass the payment processing step in order to maintain customers' connectivity to the internet and our airline partners may have the right to terminate their contracts with us or pursue other remedies.

Our operations and services depend upon the extent to which our equipment and the equipment of our third-party network providers is protected against damage from fire, flood, earthquakes, power loss, solar flares, telecommunication failures, computer viruses, break-ins, acts of war or terrorism and similar events. Damage to our networks could cause interruptions in the services that we provide. Such interruptions in our services could have a material adverse effect on service revenue, our reputation and our ability to attract or retain customers.

We rely on single service providers for certain critical components of our network.

We currently, and may in the future, rely on single source suppliers for a number of critical components of our network and operations. For example, we purchase all of the aircards used for our ATG service from a single provider that we believe holds all of the patents for this component. If we are required to find one or more alternative suppliers for aircards or any other component for which we may rely on a single source supplier, we may not be able to contract with them on a timely basis, on commercially reasonable terms, or at all. Additionally, we purchase equipment for all of the base stations used at our cell-sites from a single provider. The base stations used at our cell-sites may require six to nine months lead time to produce and are highly integrated with other components of our network. If we needed to seek one or more alternate suppliers for our base stations, we estimate that it could take up to a year or more before any such alternate supplier could deliver a component that meets our network requirements. The lack of alternative suppliers could lead to higher prices and a failure by any of our single source providers to continue to produce the component, or to otherwise fulfill its obligations, could have a material adverse effect on our business, results of operations and financial condition.

Assertions by third parties of infringement, misappropriation or other violation by us of their intellectual property rights could result in significant costs and substantially harm our business and operating results.

In recent years, there has been significant litigation involving intellectual property rights in many technology-based industries, including the wireless communications industry. We currently face, and we may face from time to time in the future, allegations that we or a supplier or customer have violated the rights of third parties, including patent, trademark and other intellectual property rights. For example, on December 19, 2011, Advanced Media Networks, L.L.C. filed suit in the United States District Court for the Central District of California against us for allegedly infringing one of its patents, seeking injunctive relief and unspecified monetary damages.

If, whether with respect to the Advanced Media Networks suit or any other claim against us for infringement, misappropriation, misuse or other violation of third party intellectual property rights, we are unable to prevail in the litigation or retain or obtain sufficient rights or develop non-infringing intellectual property or otherwise alter our business practices on a timely or cost-efficient basis, our business and competitive position may be materially adversely affected. Many companies, including our competitors, are devoting significant resources to obtaining patents that could potentially cover many aspects of our business. In addition, there are numerous patents that broadly claim means and methods of conducting business on the internet. We have not exhaustively searched patents relevant to our technologies and business and therefore it is possible that we may be unknowingly infringing the patents of others.

Any infringement, misappropriation or related claims, whether or not meritorious, are time-consuming, divert technical and management personnel and are costly to resolve. As a result of any such dispute, we may have to develop non-infringing technology, pay damages, enter into royalty or licensing agreements, cease providing certain products or services, adjust our merchandizing or marketing and advertising activities or take other actions to resolve the claims. These actions, if required, may be costly or unavailable on terms acceptable to us. Pursuant to our contracts with our airline partners, we have agreed to indemnify our airline partners against such claims and lawsuits and, in some cases, our contracts do not cap our indemnification obligations, which, in addition to obligating us to pay defense costs, could result in significant indemnification obligations in the event of an adverse ruling in such an action. In addition, certain of our suppliers do not indemnify us for third party infringement or misappropriation claims arising from our use of supplier technology. As a result, we may be liable in the event of such claims. Any of these events could result in increases in operating expenses, limit our service offerings or result in a loss of business if we are unable to meet our indemnification obligations and our airline partners terminate or fail to renew their contracts.

If we fail to meet agreed upon minimums under certain supply agreements, such suppliers may sell critical components to third parties, leading to increased competition, or could terminate their agreements with us, which could have a material adverse effect on the expected growth of our business.

Our agreement with one of our suppliers of wireless access points includes provisions permitting such supplier to sell to third parties if we fail to meet specified minimum purchase requirements. Our agreement with our supplier of aircards provides for termination by the supplier in the event that we fail to purchase minimum quantities from such supplier. Any of these events could cause us to face increased competition, which could have a material adverse effect on our business.

We or our technology suppliers may be unable to continue to innovate and provide products and services that are useful to consumers.

The market for our services is characterized by evolving technology, changes in customer needs and frequent new service and product introductions. Our future success will depend, in part, on our and our suppliers' ability to continue to enhance or develop new technology and services that meet customer needs on a timely and cost-effective basis. For example, the success of our technology roadmap depends in part on the ability of third parties to develop certain equipment to successfully adopt Ka-band or other satellite-based technology. If we or our suppliers fail to adapt quickly enough to changing technology, customer requirements and/or industry standards, our service offerings may fail to meet customer needs or regulatory requirements. We may have to invest significant capital to keep pace with innovation and changing technology, which could negatively impact our results of operations.

Furthermore, the proliferation of new mobile devices and operating platforms poses challenges for our research and development efforts. If we are unable to create, or obtain rights to, simple solutions for a particular device or operating platform, we will be unable to effectively attract users of these devices or operating platforms and our business will be adversely affected.

We may not be able to protect our intellectual property rights.

We regard our trademarks, service marks, copyrights, patents, trade secrets, proprietary technologies, domain names and similar intellectual property as important to our success. We rely on trademark, copyright and patent law, trade secret protection, and confidentiality agreements with our employees, vendors, airline partners, customers and others to protect our proprietary rights. We have sought and obtained patent protection for certain of our technologies in the United States and certain other countries. Many of the trademarks that we use (including marks we have applied to register) contain words or terms having a somewhat common usage, such as "In Air. Online." and "Gogo Vision" and, as a result, we may have difficulty registering them in certain jurisdictions. We do not own, for example, the domain www.gogo.com and we have not yet obtained registrations for our most important marks in all markets in which we may do business in the future, including China and India. If other companies have registered or have been using in commerce similar trademarks for services similar to ours in foreign jurisdictions, we may have difficulty in registering, or enforcing an exclusive right to use, our marks in those foreign jurisdictions.

There can be no assurance that the efforts we have taken to protect our proprietary rights will be sufficient or effective, that any pending or future patent and trademark applications will lead to issued patents and registered trademarks in all instances, that others will not develop or patent similar or superior technologies, products or services, or that our patents, trademarks and other intellectual property will not be challenged, invalidated, misappropriated or infringed by others. Furthermore, the intellectual property laws and enforcement practices of other countries in which our service is or may in the future be offered may not protect our products and intellectual property rights to the same extent as the laws of the United States. If we are unable to protect our intellectual property from unauthorized use, our brand image may be harmed and our business and results of operations may suffer.

Our use of open source software could limit our ability to commercialize our technology.

Open source software is software made widely and freely available to the public in human-readable source code form, usually with liberal rights to modify and improve such software. Some open source licenses require as a condition of use that proprietary software that is combined with licensed open source software and distributed must be released to the public in source code form and under the terms of the open source license. Accordingly, depending on the manner in which such licenses were interpreted and applied, we could face restrictions on our ability to commercialize certain of our products and we could be required to (i) release the source code of certain of our proprietary software to the public, including competitors; (ii) seek licenses from third parties for replacement software; and/or (iii) re-engineer our software in order to continue offering our products. Such consequences could materially adversely affect our business.

The failure of our equipment or material defects or errors in our software may damage our reputation, result in claims against us that exceed our insurance coverage, thereby requiring us to pay significant damages and impair our ability to sell our service.

Our products contain complex systems and components that could contain errors or defects, particularly when we incorporate new technology. If any of our products are defective, we could be required to redesign or recall those products or pay substantial damages or warranty claims. Such events could result in significant expenses, disrupt sales and affect our reputation and that of our products. If our on-board equipment has a severe malfunction, or there is a problem with the equipment installation, which damages an airplane or impairs its on-board electronics or avionics, significant property loss and serious personal injury or death could result. Any such failure could expose us to substantial product liability claims or costly repair obligations. In particular, the passenger jets operated by our airline partners are very costly to repair and therefore the damages in any product liability claims could be material. We carry aircraft and non-aircraft product liability insurance consistent with industry norms. However, this insurance coverage may not be sufficient to fully cover the payment of any claims. A product recall or a product liability claim not covered by insurance could have a material adverse effect on our business, financial condition and results of operations. Further, we indemnify most of our airline partners for losses due to third-party claims and in certain cases the causes for such losses may include failure of our products.

The software underlying our services is inherently complex and may contain material defects or errors, particularly when the software is first introduced or when new versions or enhancements are released. We have from time to time found defects or errors in our software, and defects or errors in our existing software may be detected in the future. Any defects or errors that cause interruptions to the availability of our services could result in:

- termination or failure to renew contracts by our airline partners;
- a reduction in sales or delay in market acceptance of our service;
- sales credits or refunds to our customers and airline partners;
- loss of existing customers and difficulty in attracting new customers;
- diversion of development resources;
- harm to our reputation and brand image;
- increased insurance costs; and
- claims for substantial damages.

The costs incurred in correcting any material defects or errors in our software may be substantial and could harm our results of operations.

Regulation by United States and foreign government agencies, including the FCC, which issued our exclusive ATG spectrum license, and the FAA, which regulates the civil aviation manufacturing and repair industries in the United States, may increase our costs of providing service or require us to change our services.

We are subject to various regulations, including those regulations promulgated by various federal, state and local regulatory agencies and legislative bodies and comparable agencies outside the United States where we may do business. The two U.S. government agencies that have primary regulatory authority over our operations are the FCC and the FAA.

The FCC regulates our use of the spectrum licensed to us and the licensing, construction, modification, operation, ownership, sale and interconnection of wireless telecommunications systems. Any breach of the terms of our ATG spectrum license or other licenses and authorizations obtained by us from time to time, or any violation of the Communications Act or the FCC's rules, could result in the revocation, suspension, cancellation or reduction in the term of a license or the imposition of fines. From time to time, the FCC may monitor or audit compliance with the Communications Act and the FCC's rules or with our license, including if a third party were to bring a claim of breach or non-compliance. In addition, the Communications Act, from which the FCC obtains its authority, may be amended in the future in a manner that could be adverse to us. The FCC is currently conducting rulemaking proceedings to consider the service rules for certain aeronautical services, and has before it a petition to initiate a rulemaking proceeding to further facilitate provision of broadband internet access to aircraft in fixed satellite service spectrum bands.

The commercial and private aviation industries, including civil aviation manufacturing and repair industries, are highly regulated in the United States by the FAA. FAA certification is required for all equipment we install on commercial aircraft and type certificated business aircraft, and certain of our operating activities require that we obtain FAA certification as a parts manufacturer. As discussed in more detail in the section entitled "Business—Licenses and Regulation —Federal Aviation Administration, " FAA approvals required to operate our business include Supplemental Type Certificates (STCs) and Parts Manufacturing Authority (PMA). Obtaining STCs and PMAs is an expensive and time-consuming process that requires significant focus and resources. Any inability to obtain, delay in obtaining, or change in, needed FAA certifications, authorizations, or approvals, could have an adverse effect on our ability to meet our installation commitments, manufacture and sell parts for installation on aircraft, or expand our business and could, therefore, materially adversely affect our growth prospects, business and operating results. The FAA closely regulates many of our operations. If we fail to comply with the FAA's many regulations and standards that apply to our activities, we could lose the FAA certifications, authorizations, or other approvals on which our manufacturing, installation, maintenance, preventive maintenance, and alteration capabilities are based. In addition, from time to time, the FAA or comparable foreign agencies adopt new regulations or amend existing regulations. The FAA could also change its policies regarding the delegation of inspection and certification responsibilities to private companies, which could adversely affect our business. To the extent that any such new regulations or amendments to existing regulations or policies apply to our activities, those new regulations or amendments to existing regulations generally increase our costs of compliance.

As a provider of telecommunications services in the BA segment, we are required to contribute a percentage of all revenue generated from interstate or international telecommunications services (or voice over internet protocol (VoIP) services, which we plan to offer) to the federal Universal Service Fund, which subsidizes telecommunications services in areas that are expensive to serve. Current FCC rules permit us to pass this contribution amount on to our customers. However, it can be difficult to determine which portion of our revenues forms the basis for this contribution, in part because our revenue is derived from both interstate and international telecommunications services, which create such contribution obligations, and intrastate telecommunications services, which do not. The FCC currently is considering a number of reforms to its Universal Service Fund mechanisms that would expand the scope of that regulatory regime to cover broadband internet access services. Such reforms may include, but are not limited to, imposing obligations on broadband internet access service

providers to contribute a percentage of the revenue earned from such services to the Universal Service Fund. To the extent the FCC adopts new contribution requirements that apply to broadband internet providers or otherwise imposes additional contribution obligations, such requirements and obligations may increase the costs we incur to comply with such regulations.

As a broadband internet provider, we must comply with the Communications Assistance for Law Enforcement Act of 1994, or CALEA, which requires communications carriers to ensure that their equipment, facilities and services can accommodate certain technical capabilities in executing authorized wiretapping and other electronic surveillance. Currently, our CALEA solution is fully deployed in our network. However, we could be subject to an enforcement action by the FCC or law enforcement agencies for any delays related to meeting, or if we fail to comply with, any current or future CALEA, or similarly mandated law enforcement related, obligations. Such enforcement actions could subject us to fines, cease and desist orders, or other penalties, all of which could adversely affect our business. Further, to the extent the FCC adopts additional capability requirements applicable to broadband internet providers, its decision may increase the costs we incur to comply with such regulations.

Adverse decisions or regulations of these regulatory bodies could negatively impact our operations and costs of doing business. We are unable to predict the scope, pace or financial impact of regulations and other policy changes that could be adopted by the various governmental entities that oversee portions of our business.

If government regulation of the internet, including e-commerce or online video distribution changes, we may need to change the way we conduct our business to a manner that incurs greater operating expenses, which could harm our results of operations.

The current legal environment for internet communications, products and services is uncertain and subject to statutory, regulatory or interpretive change. Certain laws and regulations applicable to our business were adopted prior to the advent of the internet and related technologies and often do not contemplate or address specific issues associated with those technologies. We cannot be certain that we, our vendors and media partners or our customers are currently in compliance with applicable regulatory or other legal requirements in the countries in which our service is used. Our failure, or the failure of our vendors and media partners, customers and others with whom we transact business to comply with existing or future legal or regulatory requirements could materially adversely affect our business, financial condition and results of operations. Regulators may disagree with our interpretations of existing laws or regulations or the applicability of existing laws or regulations to our business, and existing laws, regulations and interpretations may change in unexpected ways. For example, the FCC recently adopted regulations regarding net neutrality that, in certain situations, limit mobile broadband providers to “network management” techniques that are reasonable. Although these rules are currently being challenged in Federal court, future guidance or precedent from the FCC regarding the interpretation of what techniques are considered “reasonable” could adversely impact our ability to monitor and manage the network to optimize our users’ internet experience. Further, as we promote exclusive content and services and increase targeted advertising with our media partners to customers of the Gogo service, we may attract increased regulatory scrutiny.

We cannot be certain what positions regulators may take regarding our compliance with, or lack of compliance with, current and future legal and regulatory requirements or what positions regulators may take regarding any past or future actions we have taken or may take in any jurisdiction. Regulators may determine that we are not in compliance with legal and regulatory requirements, and impose penalties, or we may need to make changes to the Gogo platform, which could be costly and difficult. Any of these events would adversely affect our operating results and business.

Risks Related to Our Business and Industry

If our efforts to retain and attract customers are not successful, our revenue will be adversely affected.

We currently generate substantially all of our revenue from sales of services, some of which are on a subscription basis, and equipment. We must continue to retain existing subscribers and attract new and repeat customers. If our efforts to satisfy our existing customers are not successful, we may not be able to retain them, and as a result, our revenue would be adversely affected. If consumers do not perceive the Gogo service to be reliable or valuable or if we introduce new services that are not favorably received by the market, we may not be able to retain existing subscribers or attract new or repeat customers. If our airline partners, OEMs and dealers do not view our equipment as high-quality or cost-effective or if our equipment does not keep pace with innovation, our current and potential customers may choose to do business with our competitors. If we are unable to effectively retain existing subscribers and attract new and repeat customers, our business, financial condition and results of operations would be adversely affected.

Unreliable service levels, uncompetitive pricing, lack of availability, security risk and lack of related features of our equipment and services are some of the factors that may adversely impact our ability to retain existing customers and partners and attract new and repeat customers. In our CA segment, if consumers are able to satisfy their in-flight entertainment needs through activities other than broadband internet access, at no or lower cost, they may not perceive value in our products and services. If our efforts to satisfy and retain our existing customers and subscribers are not successful, we may not be able to continue to attract new customers through word-of-mouth referrals. Any of these factors could cause our customer growth rate to fall, which would adversely impact our business, financial condition and results of operations. In addition, our contracts with certain airlines allow for termination rights if the percentage of passengers using Gogo Connectivity aboard their flights falls below certain thresholds.

The demand for in-flight broadband internet access service may decrease or develop more slowly than we expect. We cannot predict with certainty the development of the U.S. or international in-flight broadband internet access market or the market acceptance for our products and services.

Our future success depends upon growing demand for in-flight broadband internet access services, which is inherently uncertain. We have invested significant resources towards the roll-out of new service offerings, which represent a substantial part of our growth strategy. We face the risk that the U.S. and international markets for in-flight broadband internet access services may decrease or develop more slowly or differently than we currently expect, or that our services, including our new offerings, may not achieve widespread market acceptance. We may be unable to market and sell our services successfully and cost-effectively to a sufficiently large number of customers.

Our business depends on the continued proliferation of Wi-Fi as a standard feature in mobile devices. The growth in demand for in-flight broadband internet access services also depends in part on the continued and increased use of laptops, smartphones, tablet computers, and other Wi-Fi enabled devices and the rate of evolution of data-intensive applications on the mobile internet. If Wi-Fi ceases to be a standard feature in mobile devices, if the rate of integration of Wi-Fi on mobile devices decreases or is slower than expected, or if the use of Wi-Fi enabled devices or development of related applications decreases or grows more slowly than anticipated, the market for our services may be substantially diminished.

We have incurred operating losses in every quarter since we launched the Gogo service and may continue to incur quarterly operating losses, which could negatively affect our stock price.

We have incurred operating losses in every quarter since we launched the Gogo service in August 2008, and we may not be able to generate sufficient revenue in the future to generate operating income. We also expect our costs to increase materially in future periods, which could negatively affect our future operating results. We expect to continue to expend substantial financial and other resources on the roll-out of our technology roadmap and international expansion. The amount and timing of these costs are subject to numerous variables. Such variables

include, for our technology roadmap, the availability and timing of certain next-generation technologies such as ATG-4 and Ka-band and other satellite technology, as well as costs incurred to develop and implement changes to ground and airborne software and hardware and, with respect to satellite technologies, the cost of obtaining satellite capacity. With respect to our international expansion, such variables may include, in addition to costs associated with satellite technology as discussed in the preceding sentence, costs incurred to modify our portal for international deployment, costs related to sales and marketing activities and administrative support functions and additional legal and regulatory expenses associated with operating in the international commercial aviation market. In addition, we expect to incur additional general administrative expenses, including legal and accounting expenses, related to being a public company. These investments may not result in increased revenue or growth in our business. If we fail to continue to grow our revenue and overall business, it could adversely affect our financial condition and results of operations.

Current economic conditions may have a material adverse effect on our business.

As a result of the macro-economic challenges currently affecting the economy of the United States and other parts of the world, including the European sovereign debt and economic crisis, the current economic climate is turbulent and volatile. Unfavorable economic conditions, such as higher unemployment rates, a constrained credit market, housing-related pressures, increased focus by businesses on reducing operating costs, and lower spending by consumers can reduce expenditures on both leisure and business travel. For many travelers, air travel and spending on in-flight internet access are discretionary purchases that they can eliminate in difficult economic times. Additionally, a weaker business environment may lead to a decrease in overall business travel, which has historically been an important contributor to our Gogo service revenue. In addition, continued deteriorating conditions may place market or political pressure on the customers that are served by our BA segment to cut costs including by reducing use of private aircraft.

These conditions may make it more difficult or less likely for customers to purchase our equipment and services. If economic conditions in the United States or globally deteriorate further or do not show improvement, we may experience material adverse effects to our business, cash flow and results of operations.

Our operating results may fluctuate unexpectedly, which makes them difficult to predict and may cause us to fail to meet the expectations of investors, adversely affecting our stock price.

We operate in a highly dynamic industry and our future quarterly operating results may fluctuate significantly. Our revenue and operating results may vary from quarter to quarter due to many factors, many of which are not within our control. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Further, it is difficult to accurately forecast our revenue, margin and operating results, and if we fail to match our expected results or the results expected by financial analysts or investors, the trading price of our common stock may be adversely affected.

In addition, due to generally lower demand for business travel during the summer months and holiday periods, and leisure and other travel at other times during the year, our quarterly results may not be indicative of results for the full year. Due to these and other factors, quarter-to-quarter comparisons of our historical operating results should not be relied upon as accurate indicators of our future performance.

We may need additional financing to execute our business plan, which we may not be able to secure on acceptable terms, or at all.

We may require additional financing in the future to execute our business plan, including our technology roadmap, international or domestic expansion plans or other changes. Our success may depend on our ability to raise such additional financing on reasonable terms. The amount and timing of our capital needs will depend in part on the extent of deployment of the Gogo service, the rate of customer penetration, the adoption of our service by airline partners and other factors set forth above that could adversely affect our business. Conditions in the economy and the financial markets may make it more difficult for us to obtain necessary additional capital or financing on acceptable terms, or at all. If we cannot secure sufficient additional financing, we may be forced to forego strategic opportunities or delay, scale back or eliminate additional service deployment, operations and investments or employ internal cost savings measures.

If our marketing and advertising efforts fail to generate additional revenue on a cost-effective basis, or if we are unable to manage our marketing and advertising expenses, it could harm our results of operations and growth.

Our future growth and profitability, as well as the maintenance and enhancement of our Gogo and Aircell brands, will depend in large part on the effectiveness and efficiency of our marketing and advertising expenditures. We use a diverse mix of television, print, trade show and online marketing and advertising programs to promote our CA and BA businesses. Significant increases in the pricing of one or more of our marketing and advertising channels would increase our marketing and advertising expenses or cause us to choose less expensive, but potentially less effective, marketing and advertising channels. In addition, to the extent we implement new marketing and advertising strategies, we may in the future have significantly higher expenses. We have incurred, and may in the future incur, marketing and advertising expenses significantly in advance of the time we anticipate recognizing revenue associated with such expenses, and our marketing and advertising expenditures may not continue to result in increased revenue or generate sufficient levels of brand awareness. If we are unable to maintain our marketing and advertising channels on cost-effective terms or replace existing marketing and advertising channels with similarly effective channels, our marketing and advertising expenses could increase substantially, our customer levels could be affected adversely, and our business, financial condition and results of operations may suffer.

In addition, our expanded marketing efforts may increase our customer acquisition cost. For example, a decision to expand our international marketing and advertising efforts could lead to a significant increase in our marketing and advertising expenses. Any of these additional expenses may not result in sufficient customer growth to offset cost, which would have an adverse effect on our business, financial condition and results of operations.

Increased costs and other demands associated with our growth could impact our ability to achieve profitability over the long term and could strain our personnel, technology and infrastructure resources.

We expect our costs to increase in future periods, which could negatively affect our future operating results. We continue to experience growth in our headcount and operations, which has placed significant demands on our management, administrative, technological, operational and financial infrastructure. Anticipated future growth, including growth related to the broadening of our service offerings, the roll-out of the technology roadmap and other network enhancements and international expansion of our CA business, could require the outlay of significant operating and capital expenditures and will continue to place strains on our personnel, technology and infrastructure. Our success will depend in part upon our ability to contain costs with respect to growth opportunities. For example, if we cannot scale capital expenditures associated with our technology roadmap, we may not be able to successfully roll out these network enhancements on a timely basis or at all. The additional costs associated with improvements in our network infrastructure will increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls by offsetting expense reductions in the short term. To successfully manage the expected growth of our operations, including our network, on a timely and cost-effective basis we will need to continue to improve our operational, financial, technological and management controls and our reporting systems and procedures. In addition, as we continue to grow, we must effectively integrate, develop and motivate a large number of new employees, and we must maintain the beneficial aspects of our corporate culture. If we fail to successfully manage our growth, it could adversely affect our business, financial condition and results of operations.

Our possession and use of personal information and the use of credit cards by our customers present risks and expenses that could harm our business. Unauthorized disclosure or manipulation of such data, whether through breach of our network security or otherwise, could expose us to costly litigation and damage our reputation.

Maintaining our network security is of critical importance because our online systems store confidential registered user, employee and other sensitive data, such as names, email addresses, addresses and other personal

information. We depend on the security of our networks and, in part, on the security of the network infrastructures of our third-party telecommunications service providers, our customer support providers and our other vendors. Unauthorized use of our, or our third-party service providers', networks, computer systems and services could potentially jeopardize the security of confidential information, including credit card information, of our customers. There can be no assurance that any security measures we, or third parties, take will be effective in preventing these activities. As a result of any such breaches, customers may assert claims of liability against us as a result of any failure by us to prevent these activities. Further, our in-cabin network operates as an open, unsecured Wi-Fi hotspot, and non-encrypted transmissions users send over this network may be vulnerable to access by users on the same plane. These activities may subject us to legal claims, adversely impact our reputation, and interfere with our ability to provide our services, all of which could have a material adverse effect on our business prospects, financial condition and results of operations.

Failure to protect confidential customer data or to provide customers with adequate notice of our privacy policies could also subject us to liabilities imposed by federal and state regulatory agencies. For example, the FCC's Customer Proprietary Network Information rules, applicable to our satellite-based BA offerings, require us to comply with a range of marketing and privacy safeguards. The Federal Trade Commission ("FTC") could assert jurisdiction to impose penalties related to our Gogo Connectivity service if it found our privacy policies or security measures to be inadequate under existing federal law. We could also be subject to certain state laws that impose data breach notification requirements, specific data security obligations, or other consumer privacy-related requirements. Our failure to comply with any of these rules or regulations could have an adverse effect on our business, financial condition and results of operations.

In addition, all Gogo Connectivity customers use credit cards to purchase our products and services. Problems with our or our vendors billing software could adversely affect our customer satisfaction and could cause one or more of the major credit card companies to disallow our continued use of their payment services. In addition, if our billing software fails to work properly and, as a result, we do not automatically charge our subscribers' credit cards on a timely basis or at all, our business, financial condition and results of operations could be adversely affected.

We depend upon third parties to manufacture equipment components, provide services for our network and install our equipment.

We rely on third-party suppliers for equipment components and services that we use to provide our ATG and satellite telecommunication Wi-Fi services. The supply of third party components and services could be interrupted or halted by a termination of our relationships, a failure of quality control or other operational problems at such suppliers or a significant decline in their financial condition. We also rely on a third party to provide the links between our data center and our ground network. If we are not able to continue to engage suppliers with the capabilities or capacities required by our business, or if such suppliers fail to deliver quality products, parts, equipment and services on a timely basis consistent with our schedule, our business prospects, financial condition and results of operations could be adversely affected.

In our CA segment, installation and maintenance of our ATG equipment is performed by employees of third party service providers who are trained by us and, in a number of cases, our airline partners have the right to elect to have their own employees or a third-party service provider of their choice install our equipment directly. In our BA segment, installation of our equipment is performed by the OEMs or dealers who purchase our equipment. Having third parties or our customers install our equipment reduces our control over the installation process, including the timeliness and quality of the installation. If there is an equipment failure, including due to problems with the installation process, our reputation and our relationships with our customers could be harmed. The passenger jets operated by our airline partners are very costly to repair and therefore damages in any claims related to faulty installation could be material. Additionally, we may be forced to pay significant remediation costs to cover equipment failure due to installation problems and we may not be able to be indemnified for a portion or all of these costs.

We may fail to recruit, train and retain the highly skilled employees that are necessary to remain competitive and execute our growth strategy. The loss of one or more of our key personnel could harm our business.

Competition for key technical personnel in high-technology industries such as ours is intense. We believe that our future success depends in large part on our continued ability to hire, train, retain and leverage the skills of qualified engineers and other highly skilled personnel needed to maintain and grow our ATG network and related technology and develop and successfully deploy our technology roadmap and new wireless telecommunications products and technology. We may not be as successful as our competitors at recruiting, training, retaining and utilizing these highly skilled personnel. In particular, we may have more difficulty attracting or retaining highly skilled personnel during periods of poor operating performance. Any failure to recruit, train and retain highly skilled employees could negatively impact our business and results of operations.

We depend on the continued service and performance of our key personnel, including Michael Small, our President and Chief Executive Officer. Such individuals have acquired specialized knowledge and skills with respect to Gogo and its operations. As a result, if any of these individuals were to leave Gogo, we could face substantial difficulty in hiring qualified successors and could experience a loss of productivity while any such successor obtains the necessary training and expertise. We do not maintain key man insurance on any of our officers or key employees. In addition, much of our key technology and systems are custom-made for our business by our personnel. The loss of key personnel, including key members of our management team, as well as certain of our key marketing or technology personnel, could disrupt our operations and have an adverse effect on our ability to grow our business.

We believe our business depends on strong brands, and if we do not maintain and enhance our brand, our ability to gain new customers and retain customers may be impaired.

We believe that our brands are a critical part of our business. We collaborate extensively with our airline partners on the look and feel of the in-air homepage that their passengers encounter when logging into the Gogo service in flight. In order to maintain strong relationships with our airline partners, we may have to reduce the visibility of the Gogo brand or make other decisions that do not promote and maintain the Gogo brand. In addition, many of our trademarks contain words or terms having a somewhat common usage and, as a result, we may have trouble registering or protecting them in certain jurisdictions, for example, the domain www.gogo.com is not owned by us. If we fail to promote and maintain the “Gogo®” or “Aircell®” brands, or if we incur significant expenses to promote the brands and are still unsuccessful in maintaining strong brands, our business prospects, financial condition and results of operations may be adversely affected.

Businesses or technologies we acquire could prove difficult to integrate, disrupt our ongoing business, dilute stockholder value or have an adverse effect on our results of operations.

As part of our business strategy, we may engage in acquisitions of businesses or technologies to augment our organic or internal growth. We do not have any meaningful experience with integrating and managing acquired businesses or assets. Acquisitions involve challenges and risks in negotiation, execution, valuation and integration. Moreover, we may not be able to find suitable acquisition opportunities on terms that are acceptable to us. Even if successfully negotiated, closed and integrated, certain acquisitions may not advance our business strategy, may fall short of expected return-on-investment targets or may fail. Any future acquisition could involve numerous risks, including:

- potential disruption of our ongoing business and distraction of management;
- difficulty integrating the operations and products of the acquired business;
- use of cash to fund the acquisition or for unanticipated expenses;
- limited market experience in new businesses;
- exposure to unknown liabilities, including litigation against the companies we acquire;
- additional costs due to differences in culture, geographical locations and duplication of key talent;

- delays associated with or resources being devoted to regulatory review and approval;
- acquisition-related accounting charges affecting our balance sheet and operations;
- difficulty integrating the financial results of the acquired business in our consolidated financial statements;
- controls in the acquired business;
- potential impairment of goodwill;
- dilution to our current stockholders from the issuance of equity securities; and
- potential loss of key employees or customers of the acquired company.

In the event we enter into any acquisition agreements, closing of the transactions could be delayed or prevented by regulatory approval requirements, including antitrust review, or other conditions. We may not be successful in addressing these risks or any other problems encountered in connection with any attempted acquisitions, and we could assume the economic risks of such failed or unsuccessful acquisitions.

Difficulties in collecting accounts receivable could have a material effect on our results of operations.

The provision of equipment to our airline partners involves significant accounts receivable attributable to equipment receivables, which may not be settled on a timely basis. The large majority of our service revenue in our CA segment is generated from credit card transactions and credit card accounts receivable are typically settled between one and five business days. Service and equipment revenues in our BA segment are directly billed to customers. Difficulties in enforcing contracts, collecting accounts receivables or longer payment cycles could lead to material fluctuations in our cash flows and could adversely affect our business, operating results and financial condition.

Expenses or liabilities resulting from litigation could adversely affect our results of operations and financial condition.

From time to time, we may be subject to claims or litigation in the ordinary course of our business, including for example, claims related to employment matters. Any such claims or litigation may be time-consuming and costly, divert management resources, require us to change our products and services, or have other adverse effects on our business. Any of the foregoing could have a material adverse effect on our results of operations and could require us to pay significant monetary damages. In addition, costly and time-consuming litigation could be necessary to enforce our existing contracts and, even if successful, could have an adverse effect on us. For example, on March 7, 2012, in response to a letter from Southwest Airlines Co. informing us that AirTran Airways would be deinstalling our equipment from its fleet in connection with the merger of AirTran and Southwest Airlines, we filed suit in the Circuit Court of Cook County, Illinois seeking a preliminary injunction barring AirTran from deinstalling our equipment in violation of the in-flight internet connectivity agreement we entered into with AirTran. While we believe that AirTran's connectivity agreement does not permit it to deinstall our equipment from these aircraft under these circumstances, the results of this and any other litigation are inherently uncertain and there can be no assurances that we will prevail. Even if we do prevail in the AirTran litigation or any other litigation, such litigation could result in substantial costs and a diversion of our management's attention and resources, which could harm our business, operating results and financial condition. In addition, prolonged litigation against AirTran or any other airline partner, customer or supplier could have the effect of negatively impacting our reputation and goodwill with existing and potential airline partners, customers and suppliers.

Risks Relating to This Offering and Our Common Stock

Our common stock has no prior public market and the market price of our common stock may be volatile and could decline after this offering.

Prior to this offering, there has not been a public market for our common stock, and an active market for our common stock may not develop or be sustained after this offering. We will negotiate the initial public offering price

per share with the representatives of the underwriters and therefore, that price may not be indicative of the market price of our common stock after this offering. We cannot assure you that an active public market for our common stock will develop after this offering or, if it does develop, it may not be sustained. In the absence of a public trading market, you may not be able to liquidate your investment in our common stock. In addition, the market price of our common stock may fluctuate significantly and fluctuations in market price and volume are particularly common among securities of technology companies. Among the factors that could affect our stock price are:

- airline industry or general market conditions;
- domestic and international economic factors unrelated to our performance;
- changes in technology or customer usage of Wi-Fi and internet broadband services;
- any inability to timely and efficiently roll out our technology roadmap;
- new regulatory pronouncements and changes in regulatory guidelines;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in or failure to meet publicly disclosed expectations as to our future financial performance;
- changes in securities analysts' estimates of our financial performance or lack of research and reports by industry analysts;
- action by institutional stockholders or other large stockholders, including future sales;
- speculation in the press or investment community;
- investor perception of us and our industry;
- changes in market valuations or earnings of similar companies;
- announcements by us or our competitors of significant products, contracts, acquisitions or strategic partnerships;
- developments or disputes concerning patents or proprietary rights, including increases or decreases in litigation expenses associated with intellectual property lawsuits we may initiate, or in which we may be named as defendants;
- failure to complete significant sales;
- any future sales of our common stock or other securities;
- renewal of our FCC license; and
- additions or departures of key personnel.

In particular, we cannot assure you that you will be able to resell your shares at or above the initial public offering price. The stock markets have experienced extreme volatility in recent years that has been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company's securities, class action litigation has often been instituted against such company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management's attention and resources, which would harm our business, operating results and financial condition.

Future sales of shares by existing stockholders could cause our stock price to decline.

Sales of substantial amounts of our common stock in the public market following this offering, or the perception that these sales could occur, could cause the market price of our common stock to decline. Based on shares outstanding as of , upon completion of this offering, we will have outstanding shares of common stock (or outstanding shares of common stock, assuming exercise of the underwriters'

overallotment option in full). All of the shares sold pursuant to this offering will be immediately tradeable without restriction under the Securities Act unless held by "affiliates", as that term is defined in Rule 144 under the Securities Act. The remaining shares of common stock outstanding as of will be restricted securities within the meaning of Rule 144 under the Securities Act, but will be eligible for resale subject to applicable volume, means of sale, holding period and other limitations of Rule 144 or pursuant to an exception from registration under Rule 701 under the Securities Act, subject to the terms of the lock-up agreements entered into among us, the underwriters and stockholders holding approximately shares of our common stock. Our board of directors and Morgan Stanley & Co. LLC, the representative of the underwriters, may, in their sole discretion and at any time without notice, release all or any portion of the securities subject to lock-up agreements entered into in connection with this offering. See "Underwriting." Upon completion of this offering, we intend to file one or more registration statements under the Securities Act to register the shares of common stock to be issued under our equity compensation plans and, as a result, all shares of common stock acquired upon exercise of stock options granted under our plans will also be freely tradable under the Securities Act, subject to the terms of the lock-up agreements, unless purchased by our affiliates. A total of 41,925 shares of common stock are reserved for issuance under our stock incentive plans. As of February 29, 2012, there were stock options outstanding to purchase a total of 38,024 shares of our common stock.

We, stockholders holding approximately shares of common stock, including shares held by Ripplewood and the Thorne Entities, our executive officers and directors have agreed to a "lock-up," meaning that, subject to certain exceptions, neither we nor they will sell any shares without the prior consent of each of (i) our board of directors and (ii) only following the prior written consent of our board of directors, Morgan Stanley & Co. LLC, for 180 days after the date of this prospectus. Following the expiration of this 180-day lock-up period, shares of our common stock will be eligible for future sale, subject to the applicable volume, manner of sale, holding period and other limitations of Rule 144. See "Shares Eligible for Future Sale" for a discussion of the shares of common stock that may be sold into the public market in the future. In addition, certain of our significant stockholders may distribute shares that they hold to their investors who themselves may then sell into the public market following the expiration of the lock-up period. Such sales may not be subject to the volume, manner of sale, holding period and other limitations of Rule 144A. As resale restrictions end, the market price of our common stock could decline if the holders of those shares sell them or are perceived by the market as intending to sell them. In addition, holders of approximately shares, or %, of our common stock, including shares, or %, of our common stock held by Ripplewood and shares, or %, of our common stock held by the Thorne Entities, will have registration rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders in the future. Once we register the shares for the holders of registration rights, they can be freely sold in the public market upon issuance, subject to the restrictions contained in the lock-up agreements.

In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement or employee arrangement or otherwise. Any of these issuances could result in substantial dilution to our existing stockholders and could cause the trading price of our common stock to decline.

If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If there is no coverage of our company by securities or industry analysts, the trading price for our stock would be negatively impacted. In the event we obtain securities or industry analyst coverage or if one or more of these analysts downgrades our stock or publishes misleading or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price or trading volume to decline.

A few significant stockholders control the direction of our business. If the ownership of our common stock continues to be highly concentrated, it could prevent you and other stockholders from influencing significant corporate decisions.

Following the completion of this offering, Ripplewood and the Thorne Entities will beneficially own approximately % and %, respectively, of the outstanding shares of our common stock, assuming that the underwriters do not exercise their option to purchase additional shares. As a result, either Ripplewood or the Thorne Entities alone could exercise significant influence over all matters requiring stockholder approval for the foreseeable future, including approval of significant corporate transactions, which may reduce the market price of our common stock. In addition, together, Ripplewood and the Thorne Entities would be able to exercise control over such matters following this offering, which similarly may reduce the market price of our common stock.

The interests of our existing stockholders may conflict with the interests of our other stockholders. Our Board of Directors intends to adopt corporate governance guidelines that will, among other things, address potential conflicts between a director's interests and our interests. In addition, we intend to adopt a code of business conduct that, among other things, requires our employees to avoid actions or relationships that might conflict or appear to conflict with their job responsibilities or the interests of Gogo Inc. and to disclose their outside activities, financial interests or relationships that may present a possible conflict of interest or the appearance of a conflict to management or corporate counsel. These corporate governance guidelines and code of business ethics will not, by themselves, prohibit transactions with our principal stockholders.

Fulfilling our obligations incident to being a public company, including with respect to the requirements of and related rules under the Sarbanes-Oxley Act of 2002, will be expensive and time-consuming, and any delays or difficulties in satisfying these obligations could have a material adverse effect on our future results of operations and our stock price.

We have historically operated as a private company and have not been subject to the same financial and other reporting and corporate governance requirements as a public company. After this offering, we will be required to file annual, quarterly and other reports with the Securities and Exchange Commission ("SEC"). We will need to prepare and timely file financial statements that comply with SEC reporting requirements. We will also be subject to other reporting and corporate governance requirements, under the listing standards of the NASDAQ Stock Market, or Nasdaq, and the Sarbanes-Oxley Act of 2002, which will impose significant new compliance costs and obligations upon us. The changes necessitated by becoming a public company will require a significant commitment of additional resources and management oversight which will increase our operating costs. These changes will also place significant additional demands on our finance and accounting staff, which may not have prior public company experience or experience working for a newly public company, and on our financial accounting and information systems. We may in the future hire additional accounting and financial staff with appropriate public company reporting experience and technical accounting knowledge. Other expenses associated with being a public company include increases in auditing, accounting and legal fees and expenses, investor relations expenses, increased directors' fees and director and officer liability insurance costs, registrar and transfer agent fees and listing fees, as well as other expenses. As a public company, we will be required, among other things, to:

- prepare and file periodic reports, and distribute other stockholder communications, in compliance with the federal securities laws and Nasdaq rules;
- define and expand the roles and the duties of our Board of Directors and its committees;
- institute more comprehensive compliance, investor relations and internal audit functions; and
- evaluate and maintain our system of internal control over financial reporting, and report on management's assessment thereof, in compliance with rules and regulations of the SEC and the Public Company Accounting Oversight Board.

In particular, upon completion of this offering, the Sarbanes-Oxley Act of 2002 will require us to document and test the effectiveness of our internal control over financial reporting in accordance with an established internal control framework, and to report on our conclusions as to the effectiveness of our internal controls. It will also require an independent registered public accounting firm to test our internal control over financial reporting and report on the effectiveness of such controls for the year ending December 31, 2013 and subsequent years. In addition, upon completion of this offering, we will be required under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to maintain disclosure controls and procedures and internal control over financial reporting. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified report regarding the effectiveness of our internal control over financial reporting as of December 31, 2013 and in future periods, investors could lose confidence in the reliability of our financial statements. This could result in a decrease in the value of our common stock. Failure to comply with the Sarbanes-Oxley Act of 2002 could potentially subject us to sanctions or investigations by the SEC, Nasdaq, or other regulatory authorities.

If we need additional capital in the future, it may not be available on favorable terms, or at all.

We have historically relied primarily on private placements of our equity securities and cash flow from operations to fund our operations, capital expenditures and expansion. Following the offering, we may require additional capital from equity or debt financing in the future to fund our operations or respond to competitive pressures or strategic opportunities. We may not be able to secure timely additional financing on favorable terms, or at all. The terms of additional financing may limit our financial and operating flexibility.

If we raise additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of our company, and any new securities we issue could have rights, preferences and privileges senior to those of holders of our common stock, including shares of common stock sold in this offering. If we are unable to obtain adequate financing or financing on terms satisfactory to us, if and when we require it, our ability to grow or support our business and to respond to business challenges could be significantly limited.

We could be the subject of securities class action litigation due to future stock price volatility, which could divert management's attention and adversely affect our results of operations.

The stock market in general, and market prices for the securities of technology companies like ours in particular, have from time to time experienced volatility that often has been unrelated to the operating performance of the underlying companies. A certain degree of stock price volatility can be attributed to being a newly public company. These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our operating performance. In several recent situations in which the market price of a stock has been volatile, holders of that stock have instituted securities class action litigation against the company that issued the stock. If any of our stockholders were to bring a similar lawsuit against us, the defense and disposition of the lawsuit could be costly and divert the time and attention of our management and harm our operating results.

Anti-takeover provisions in our charter documents and Delaware law, and certain provisions in our existing and any future credit facility could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws include a number of provisions that may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. For example, we anticipate that, prior to the completion of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will:

- authorize the issuance of "blank check" preferred stock that could be issued by our Board of Directors to thwart a takeover attempt;

- establish a classified Board of Directors, as a result of which our board will be divided into three classes, with each class serving for staggered three-year terms, which prevents stockholders from electing an entirely new Board of Directors at an annual meeting;
- require that directors only be removed from office for cause and only upon a supermajority stockholder vote;
- provide that vacancies on the Board of Directors, including newly-created directorships, may be filled only by a majority vote of directors then in office;
- limit who may call special meetings of stockholders;
- prohibit stockholder action by written consent, thereby requiring all actions to be taken at a meeting of the stockholders; and
- require supermajority stockholder voting to effect certain amendments to our amended and restated certificate of incorporation and amended and restated bylaws.

These provisions may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if the provisions are viewed as discouraging takeover attempts in the future. In addition, our current credit facility with Alaska Airlines has, and other credit facilities we may enter into in the future may have, covenants that restrict our rights to engage in certain change of control transactions. See "Description of Capital Stock—Certain Certificate of Incorporation, By-Law and Statutory Provisions."

Our amended and restated certificate of incorporation and amended and restated bylaws may also make it difficult for stockholders to replace or remove our management. These provisions may facilitate management entrenchment that may delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our stockholders.

Our management will have broad discretion over the use of the proceeds we receive in this offering and might not apply the proceeds in ways that increase the value of your investment.

Our management will have broad discretion to use the net proceeds we receive from this offering, and you will be relying on the judgment of our management regarding the use of these proceeds. Our management might not apply the net proceeds of this offering in ways that increase the value of your investment. We expect to use the net proceeds from this offering for general corporate purposes, including working capital and capital expenditures, which may in the future include investments in, or acquisitions of, complementary businesses, products, services or technologies, as well as international expansion. We have not allocated these net proceeds for any specific purposes. Our management might not be able to yield a significant return, if any, on any investment of these net proceeds. You will not have the opportunity to influence our decisions on how to use the net proceeds from this offering.

Investors purchasing common stock in this offering will experience immediate and substantial dilution as a result of this offering and future equity issuances.

The initial public offering price per share will significantly exceed the net tangible book value per share of our common stock outstanding. As a result, investors purchasing common stock in this offering will experience immediate substantial dilution of $ a share, based on an initial public offering price of $, which is the midpoint of the price range set forth on the cover page of this prospectus. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares. Investors purchasing shares of common stock in this offering will contribute approximately % of the total amount we have raised since our inception, but will own only approximately % of our total common stock immediately following the completion of this offering. In addition, we have issued options to

acquire common stock at prices significantly below the initial public offering price. To the extent outstanding options are ultimately exercised, there will be further dilution to investors in this offering. In addition, if the underwriters exercise their over-allotment option, or if we issue additional equity securities, investors purchasing common stock in this offering will experience additional dilution.

We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We do not intend to declare and pay dividends on our capital stock for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future and the success of an investment in shares of our common stock will depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares. In addition, the operations of Gogo Inc. are conducted almost entirely through its subsidiaries. As such, to the extent that we determine in the future to pay dividends on our common stock, none of our subsidiaries will be obligated to make funds available to us for the payment of dividends.

Our corporate charter and bylaws include provisions limiting ownership by non-U.S. citizens, including the power of our board of directors to redeem shares of our common stock from non-U.S. citizens.

The Communications Act and FCC regulations impose restrictions on foreign ownership of FCC licensees, as described in the above risk factor, "If we fail to comply with the Communications Act and FCC regulations limiting ownership and voting of our capital stock by non-U.S. persons we could lose our FCC license." Our corporate charter and bylaws include provisions that permit our board of directors to take certain actions in order to comply with FCC regulations regarding foreign ownership, including but not limited to, a right to redeem shares of common stock from non-U.S. citizens at prices at or below fair market value. Non-U.S. citizens should consider carefully the redemption provisions in our certificate of incorporation prior to investing in our common stock.

These restrictions may also decrease the liquidity and value of our stock by reducing the pool of potential investors in our company and making the acquisition of control of us by third parties more difficult. In addition, these restrictions could adversely affect our ability to attract additional equity financing in the future or consummate an acquisition of a foreign entity using shares of our capital stock. See "Description of Capital Stock—Limited Ownership by Foreign Entities."

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements, including in the sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.” These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, international expansion, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words “anticipate,” “assume,” “believe,” “budget,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this prospectus.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following:

- the loss of, or failure to realize benefits from, agreements with our airline partners;
- any inability to timely and efficiently roll out our technology roadmap or the failure by our airline partners to roll out equipment upgrades in order to support increased network capacity demands;
- the loss of relationships with original equipment manufacturers or dealers;
- our ability to develop capacity sufficient to accommodate growth in consumer demand;
- unfavorable economic conditions in the airline industry and economy as a whole;
- the effects, if any, on our business of the American Airlines bankruptcy filing;
- our ability to expand our domestic or international operations, including our ability to grow our business with current and potential future airline partners or successfully partner with satellite service providers, including Inmarsat;
- an inability to compete effectively;
- a diminution in the competitive advantage we believe our ATG network currently provides us;
- our reliance on third-party satellite service providers and equipment and other suppliers, including single source providers and suppliers;
- a revocation of, or reduction in, our right to use licensed spectrum or grant of a license to use air-to-ground spectrum to a competitor;
- our use of open source software and licenses;
- the effects of service interruptions or delays, technology failures, material defects or errors in our software or damage to our equipment;
- the limited operating history of our CA segment;
- our, or our technology suppliers’, inability to effectively innovate;
- costs associated with defending pending or future intellectual property infringement and other litigation or claims;
- our ability to protect our intellectual property;
- increases in our projected capital expenditures due to, among other things, unexpected costs incurred in connection with the roll out of our technology roadmap or our international expansion;
- any negative outcome or effects of pending or future litigation;
- fluctuation in our operating results;
- our ability to attract and retain customers and to capitalize on revenue from our platform;

- the demand for in-flight broadband internet access services or market acceptance for our products and services;
- changes or developments in the regulations that apply to us, our business and our industry;
- the attraction and retention of qualified employees and key personnel;
- the effectiveness of our marketing and advertising and our ability to maintain and enhance our brands;
- our inability to manage our growth in a cost-effective manner and integrate and manage acquisitions;
- difficulties in collecting accounts receivable; and
- other risks and factors listed under “Risk Factors” and elsewhere in this prospectus.

Any one of these factors or a combination of these factors could materially affect our financial condition or future results of operations and could influence whether any forward-looking statements contained in this prospectus ultimately prove to be accurate. Our forward-looking statements are not guarantees of future performance, and you should not place undue reliance on them. All forward-looking statements speak only as of the date made and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

Based upon an assumed initial public offering price of $ per share, which is the mid-point of the price range set forth on the cover page of this prospectus, we estimate that we will receive net proceeds from this offering of approximately $ million, after deducting estimated underwriting discounts and commissions in connection with this offering and estimated offering expenses payable by us of $ million. See "Underwriting."

We will not receive any of the proceeds from the shares of common stock sold by the selling stockholders in this offering.

The principal purposes of this offering are to obtain additional capital, create a public market for our common stock, facilitate our future access to the capital markets, increase awareness of our company among potential customers and improve our competitive position. We currently intend to use the net proceeds we receive from this offering for working capital and other general corporate purposes, including (i) costs associated with international expansion, including costs incurred to modify our portal for international deployment, costs related to sales and marketing activities and administrative support functions and additional legal and regulatory expenses associated with operating in the international commercial aviation market and (ii) certain costs associated with satellite or other technologies, such as costs incurred to develop and implement changes to ground and airborne software and hardware and the cost of obtaining satellite capacity. We will have broad discretion over the way that we use the net proceeds of this offering received by us. See "Risk Factors—Risks Relating to This Offering and Our Common Stock—Our management will have broad discretion over the use of the proceeds we receive in this offering and might not apply the proceeds in ways that increase the value of your investment."

A $1.00 increase or decrease in the assumed initial public offering price of $ per share (the mid-point of the price range set forth on the front cover of this prospectus) would increase or decrease the net proceeds to us from this offering by $, assuming the number of shares offered by us remains the same and after deducting estimated underwriting discounts and commission and estimated offering expenses payable by us. An increase or decrease of shares in the number of shares offered by us would increase or decrease the total consideration paid to us by new investors and total consideration paid to us by all stockholders by $ million, assuming the initial public offering price of $ per share (the mid-point of the price range set forth on the front cover of this prospectus) remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

DIVIDEND POLICY

We do not currently expect to declare or pay dividends on our common stock for the foreseeable future. Instead, we intend to retain earnings to finance the growth and development of our business and for working capital and general corporate purposes. Any payment of dividends will be at the discretion of our Board of Directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions and other factors that our Board of Directors may deem relevant. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Capital Expenditures.”

CAPITALIZATION

The following table sets forth our total cash and cash equivalents and capitalization as of December 31, 2011:

- on an actual basis;
- on a pro forma basis to reflect:
  - the filing of an amended and restated certificate of incorporation to authorize shares of common stock and shares of undesignated preferred stock;
  - a for 1 stock split of our shares of common stock; and
  - the conversion of all of our outstanding shares of convertible preferred stock into shares of common stock; and
- on a pro forma as adjusted basis to reflect the pro forma adjustments above and our receipt of the estimated net proceeds from this offering, based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus), and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and the application of the net proceeds to us from this offering as described in "Use of Proceeds."

The pro forma and pro forma as adjusted information below is illustrative only and our capitalization following the completion of this offering will be adjusted based on the actual initial offering price and other terms of this offering determined at pricing. The table below should be read in conjunction with "Use of Proceeds," "Selected Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and accompanying notes included elsewhere in this prospectus.

	As of December 31, 2011		
	Actual	Pro Forma	Pro Forma (as adjusted)[1]
	(unaudited) (amounts in thousands, except for share numbers)		
Cash and cash equivalents	$ 42,591	$ 42,591	$
Long term obligations, including current portion	$ 2,844	$ 2,844	$
Convertible preferred stock, $0.01 par value:			
Class A Senior Convertible Preferred Stock, 15,000 shares authorized; 14,126 shares issued and outstanding actual; no shares issued and outstanding, pro forma and pro forma as adjusted	152,689	—	—
Class B Senior Convertible Preferred Stock, 30,000 shares authorized; 22,488 shares issued and outstanding actual; no shares issued and outstanding, pro forma and pro forma as adjusted	250,572	—	—
Junior Convertible Preferred Stock, 20,000 shares authorized; 19,070 shares issued and outstanding actual; no shares issued and outstanding, pro forma and pro forma as adjusted	148,191	—	—
Stockholders' equity (deficit):			
Common stock, $0.0001 par value, 1,000,000 shares authorized, 73,975 shares issued and 66,000 shares outstanding, actual; shares authorized, and shares issued and outstanding, pro forma and pro forma as adjusted[2]	—	—	
Additional paid-in capital	50,927	612,019	
Accumulated deficit	(404,589)	(404,589)	
Total stockholders' equity (deficit)	(353,662)	207,430	
Total capitalization	$ 200,634	$ 210,274	$

(1) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) would increase or decrease, as applicable, our pro forma as adjusted

cash and cash equivalents, additional paid-in capital and stockholders equity by $ million, assuming that the number of shares offered by us as set forth on the cover page of this prospectus remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase or decrease of shares in the number of shares offered by us would increase or decrease, as applicable our pro forma as adjusted cash and cash equivalents, additional paid-in capital and stockholders equity by $ million, assuming the assumed initial public offering price of $ per share (the mid-point of the price range set forth on the front cover page of this prospectus) remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) The difference between the number of shares of common stock issued (actual) and the number of shares of common stock outstanding (actual) is attributable to the 7,975 shares of our common stock that are held by AC Management LLC, which is consolidated into our consolidated financial statements. For further discussion of the consolidation of AC Management LLC, see Note 2 to our consolidated financial statements for the year ended December 31, 2011 included elsewhere in this prospectus.

The share information as of December 31, 2011 shown in the table above excludes:

- 37,260 shares of common stock issuable upon exercise of options outstanding as of December 31, 2011 at a weighted average exercise price of $1,186.53 per share; and
- 4,665 shares of common stock reserved for future issuance under our stock option plan.

DILUTION

If you invest in our common stock, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share of our common stock and the net tangible book value per share of our common stock immediately after this offering.

Our net tangible book value as of was $, and our pro forma net tangible book value per share was $. Pro forma net tangible book value per share before the offering has been determined by dividing net tangible book value (total book value of tangible assets less total liabilities) by the number of shares of common stock outstanding at .

After giving effect to the sale of shares of our common stock sold by us in this offering at an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value at would have been $ million, or $ per share. This represents an immediate increase in net tangible book value per share of $ to the existing stockholders and dilution in net tangible book value per share of $ to new investors who purchase shares in this offering. The following table illustrates this per share dilution to new investors:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of December 31, 2011	$	
Increase in net tangible book value per share attributable to new investors in this offering	$	
Pro forma net tangible book value per share after this offering		$
Dilution of net tangible book value per share to new investors		$

A $1.00 increase or decrease in the assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) would increase or decrease total consideration paid by new investors and total consideration paid by all stockholders by $ million, assuming that the number of shares offered by us set forth on the front cover of this prospectus remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. An increase or decrease of million shares in the number of shares offered by us would increase or decrease the total consideration paid to us by new investors and total consideration paid to us by all stockholders by $ million, assuming the assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, as of , the total number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by the existing stockholders and by new investors purchasing shares in this offering (amounts in thousands, except percentages and per share data):

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors					
Total		100%	$	100%	$

The foregoing table does not reflect proceeds to be realized by existing stockholders in connection with the sales by them in this offering, options outstanding under our stock option plans or stock options to be granted after this offering. As of February 29, 2012, there were options to purchase 38,024 shares of our common stock outstanding with an average exercise price of $1,200.33 per share, and 3,901 shares remained available for grant.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables present selected historical financial data as of and for the periods indicated. You should read this information together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

The consolidated statement of operations data and other financial data for the years ended December 31, 2009, 2010 and 2011 and the consolidated balance sheet data as of December 31, 2010 and 2011 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data and other financial data for the years ended December 31, 2007 and 2008 and the consolidated balance sheet data as of December 31, 2007, 2008 and 2009 have been derived from our audited consolidated financial statements not included in this prospectus. Our historical results are not necessarily indicative of our results to be expected in any future period.

	Year Ended December 31,				
	2007	2008	2009	2010	2011
	(in thousands, except per share amounts)				
Consolidated Statement of Operations Data[1]:					
Revenue:					
Service revenue	$ 3,838	$ 6,019	$ 15,626	$ 58,341	$ 103,918
Equipment revenue	30,041	30,771	21,216	36,318	56,238
Total revenue	33,879	36,790	36,842	94,659	160,156
Total operating expenses	80,285	145,898	147,678	171,620	193,980
Operating loss	(46,406)	(109,108)	(110,836)	(76,961)	(33,824)
Other (income) expense:					
Interest expense	4,895	14,176	30,067	37	280
Fair value derivative adjustments	—	—	—	33,219	(58,740)
Loss on extinguishment of debt	—	—	1,577	—	—
Interest income and other	(2,418)	(905)	(214)	(98)	(32)
Total other (income) expense	2,477	13,271	31,430	33,158	(58,492)
Income (loss) before income tax provision	(48,883)	(122,379)	(142,266)	(110,119)	24,668
Income tax provision	—	—	—	3,260	1,053
Net income (loss)	(48,883)	(122,379)	(142,266)	(113,379)	23,615
Class A and Class B senior convertible preferred stock return	—	—	—	(18,263)	(31,331)
Accretion of preferred stock	—	—	—	(8,501)	(10,181)
Net loss attributable to common stock[2]	$ (48,883)	$ (122,379)	$ (142,266)	$ (140,143)	$ (17,897)
Net loss per share attributable to common stock[3]:					
Basic	$(1,110.98)	$(1,973.85)	$(2,155.55)	$(2,123.38)	$ (271.17)
Diluted	$(1,110.98)	$(1,973.85)	$(2,155.55)	$(2,123.38)	$ (271.17)
Weighted average shares used in computing net loss per share attributable to common stock:					
Basic	44	62	66	66	66
Diluted	44	62	66	66	66

	As of December 31,				
	2007	2008	2009	2010	2011
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 12,253	$ 24,072	$ 68,452	$ 18,883	$ 42,591
Working capital[4]	898	773	52,162	12,459	31,314
Total assets	128,082	172,471	274,849	236,940	285,636
Indebtedness and long-term capital leases, net of current portion[5]	99,815	202,043	—	2,000	2,224
Total liabilities	128,921	247,099	61,126	113,928	87,846
Convertible preferred stock	—	—	405,567	453,385	551,452
Total stockholders' deficit[2]	(839)	(74,628)	(191,844)	(330,373)	(353,662)

(1) Prior to December 31, 2009, we operated as a limited liability company under the name AC HoldCo LLC. AC HoldCo LLC was formed as a Delaware limited liability company on March 20, 2006. During 2006, Aircell, Inc. and AC HoldCo LLC entered into a series of agreements to pursue the FCC license governing our ATG spectrum and to provide capital to develop and operate our ATG network. On January 31, 2007, Aircell, Inc. converted to a limited liability company (Aircell LLC) and was acquired by AC HoldCo LLC.

(2) Prior to December 31, 2009, we operated as a limited liability company under the name AC HoldCo LLC. The net loss was attributable to members of AC HoldCo LLC for the years ended December 31, 2007, 2008 and 2009. Total equity (deficit) as of December 31, 2007 and 2008 was attributable to members of AC HoldCo LLC.

(3) Does not reflect 7,975 shares of common stock issued to AC Management LLC, an affiliate of the Company whose units are owned by members of our management. Gogo Inc. is the managing member of AC Management LLC, and thereby controls AC Management LLC, and as a result AC Management LLC is consolidated into our consolidated financial statements. As a result of such consolidation, the common shares held by AC Management LLC are not considered outstanding for purposes of our consolidated financial statements, including net loss per share attributable to common stock.

(4) We define working capital as total current assets less current liabilities.

(5) Includes long-term accrued interest of $6.3 million and $15.8 million as of December 31, 2007 and 2008, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to help the reader understand our business, financial condition, results of operations, liquidity and capital resources. It should be read in conjunction with "Selected Consolidated Financial Data," and is qualified in its entirety by reference to our consolidated financial statements and related notes beginning on page F-1 of this prospectus. This discussion contains forward-looking statements about our business and operations. Our actual results may differ materially from those we currently anticipate as a result of many factors, including those we describe under "Risk Factors" and elsewhere in this prospectus. See "Special Note Regarding Forward Looking Statements."

Company Overview

Gogo Inc. is the world's leading provider of in-flight connectivity with the largest number of internet-connected aircraft in service, and a pioneer in wireless in-cabin digital entertainment solutions. We operate our business through our two operating segments: commercial aviation, or CA, and business aviation, or BA. Our CA business provides "Gogo®" branded in-flight connectivity and wireless digital entertainment solutions to commercial airline passengers, using our nationwide network of cell towers and airborne equipment (the "ATG network"), and our exclusive nationwide air-to-ground ("ATG") spectrum. Our BA business sells equipment for in-flight telecommunications and provides in-flight internet connectivity and other voice and data communications products and services to the business aviation market. BA services include Gogo Biz, our in-flight broadband service that utilizes both our ATG network and our ATG spectrum, and satellite-based voice and data services through our strategic alliance with Iridium. The following is a timeline of significant events in our company's history:

- Our business aviation operations were formed in 1991 as Air-cell, Inc. for the purpose of providing in-flight telecommunication service to customers in the business aviation market.
- In 1997, Aircell, Inc. (formerly Air-cell, Inc.) installed its first in-flight analog phone system and, in 2002, partnered with Iridium satellite to provide in-flight voice and data services to our business aviation customers.
- In June 2006, our subsidiary AC BidCo LLC won and purchased an exclusive ten-year 3 MHz FCC license for ATG spectrum.
- In January 2007, we acquired Aircell LLC (formerly Aircell, Inc.).
- In January 2008, we completed construction of our initial nationwide ATG network.
- In August 2008, we launched our Gogo service for commercial aircraft.
- In June 2009, we began providing ATG service to our business aviation customers.
- On December 31, 2009, we underwent a corporate restructuring whereby our predecessor company was converted from a limited liability company into a corporation (Aircell Holdings Inc.). As a result of the conversion, our capitalization structure changed as all outstanding convertible debt was converted into one of three classes of preferred stock.
- On June 15, 2011, we officially changed our name from Aircell Holdings Inc. to Gogo Inc.

Consolidated revenue increased to $160.2 million for the year ended December 31, 2011 as compared with $94.7 million during the prior year. As of December 31, 2011, the CA segment had 1,345 commercial aircraft online to provide the Gogo service as compared with 1,056 as of December 31, 2010. As of December 31, 2011, the BA segment had 4,733 aircraft online with Iridium satellite communications systems and 860 Gogo Biz systems online as compared with 4,553 and 318 as of December 31, 2010, respectively. In addition, the BA segment had sold more than 100 Inmarsat SwiftBroadband systems to business aviation customers as of December 31, 2011.

Factors and Trends Affecting Our Results of Operations

We believe our operating and business performance is driven by various factors that affect the commercial airline and business aviation industries, including trends affecting the travel industry and trends affecting the customer bases that we target, as well as factors that affect wireless internet service providers and general macroeconomic factors. Key factors that may affect our future performance include:

- the costs associated with implementing our technology roadmap, including the need for additional cell sites in our ATG network, and implementing improvements to our network and operations as technology changes and we experience increased network capacity constraints;
- the costs associated with our international expansion, including modification to our network to accommodate satellite technology, compliance with applicable foreign regulations and expanded operations outside of the U.S.;
- the number of aircraft in service in our markets, including consolidation of the airline industry or changes in fleet size by one or more of our airline partners;
- the economic environment and other trends that affect both business and leisure travel;
- the extent of customers' adoption of our products and services, which is affected by, among other things, willingness to pay for the services that we provide and changes in technology;
- the continued demand for connectivity and proliferation of Wi-Fi enabled devices, including smartphones, tablets and laptops; and
- regulatory changes, including those affecting our ability to maintain our ten-year 3 MHz license for ATG spectrum in the U.S., obtain sufficient rights to use additional ATG spectrum and/or other sources of broadband connectivity to deliver our services, and expand our service offerings.

Recent Developments

On November 29, 2011, we announced the signing of a memorandum of understanding with Inmarsat S.A. to bring its Global Xpress satellite service to the commercial airline market. Assuming that we enter into a definitive agreement with Inmarsat, we would be one of two providers of Inmarsat's Ka-band satellite service bringing in-flight broadband internet access to international aircraft fleets. We expect that we will be able to offer commercial airlines a connectivity solution on certain international routes after the launch of the first Inmarsat-5 satellite, which is currently scheduled for mid-2013.

On November 29, 2011, American Airlines filed for reorganization under Chapter 11 of the United States Bankruptcy Code. While American Airlines has announced that it will continue to operate its business and fly normal flight schedules, there can be no assurance that the filing will not have an adverse affect on our revenue or results of operations in the short- or long-term. See "Risk Factors—Risks Related to our CA Business—The recent bankruptcy filing of American Airlines could have a material adverse affect on our revenue and results of operations."

On December 19, 2011, Advanced Media Networks, L.L.C. filed suit in the United States District Court for the Central District of California against us for allegedly infringing one of its patents, seeking injunctive relief and unspecified monetary damages. We have not accrued any liability related to this matter because, due to the early stage of this litigation, a range of possible loss, if any, cannot be determined. See "Risk Factors—Assertions by third parties of infringement, misappropriation or other violation by us of their intellectual property rights could result in significant costs and substantially harm our business and operating results."

On January 23, 2012, we received a letter from Southwest Airlines Co. notifying us that AirTran Airways, which became a wholly-owned subsidiary of Southwest Airlines Co. on May 2, 2011, would be deinstalling our ATG equipment from its fleet as part of the process by which Southwest Airlines' and AirTran's fleets will be

merged. On March 7, 2012, we filed for a preliminary injunction barring AirTran from proceeding with the deinstallation of our ATG equipment in violation of our connectivity agreement with AirTran. Revenue from passengers using the Gogo service while flying on aircraft operated by AirTran accounted for less than 5% of our consolidated revenue for the years ended December 31, 2011 and 2010. If we do not succeed in our attempt to enjoin AirTran from deinstalling our equipment, our results of operations would be adversely affected. See "Risk Factors—Risks Related to Our Business and Industry—Expenses or liabilities from litigation could adversely affect our results of operations and financial condition."

On March 21, 2012, we announced the signing of an amended connectivity agreement with US Airways, Inc. to add additional US Airways aircraft to the scope of our existing agreement and begin the roll out of Gogo Vision on certain US Airways aircraft. The expansion covers 209 additional US Airways mainline aircraft, which will be outfitted with our ATG-4 technology, as well as 73 regional jets on which our ATG equipment will be installed. In addition, during the expansion process, current Gogo-equipped US Airways aircraft will be upgraded to our ATG-4 technology. The installation is expected to begin in the summer of 2012.

Key Business Metrics

Our management regularly reviews a number of financial and operating metrics, including the following key operating metrics for the CA and BA segments to evaluate the performance of our business and our success in executing our business plan, make decisions regarding resource allocation and corporate strategies and evaluate forward-looking projections.

Commercial Aviation

	Year Ended December 31,		
	2009	2010	2011
Aircraft online	692	1,056	1,345
Gross passenger opportunity (in thousands)	59,804	152,744	192,074
Total average revenue per passenger	$ 0.15	$ 0.32	$ 0.43

- *Aircraft online*. We define aircraft online as the total number of commercial aircraft on which our ATG network equipment is installed and Gogo service has been made commercially available as of the last day of each period presented.
- *Gross passenger opportunity* ("GPO"). We define GPO as the estimated aggregate number of passengers who board commercial aircraft on which Gogo service has been made available for the period presented. We calculate passenger estimates by taking the maximum capacity of flights with Gogo service, which is calculated by multiplying the number of flights flown by Gogo-equipped aircraft, as published by Air Radio Inc. (ARINC), by the number of seats on those aircraft, and adjusting the product by a passenger load factor for each airline, which represents the percentage of seats on aircraft that are occupied by passengers. Load factors are provided to us by our airline partners and are based on historical data.
- *Total average revenue per passenger* ("ARPP"). We define ARPP as revenue from Gogo Connectivity, Gogo Vision, Gogo Signature Services and other service revenue for the period, divided by GPO for the period.

Business Aviation

	Year Ended December 31,		
	2009	2010	2011
Aircraft online			
Satellite	4,311	4,553	4,733
ATG	49	318	860
Average monthly service revenue per aircraft online			
Satellite	$ 124	$ 127	$ 131
ATG	488	1,530	1,791
Units shipped			
Satellite	460	574	618
ATG	139	374	613
Average equipment revenue per unit shipped (in thousands)			
Satellite	$ 32	$ 33	$ 39
ATG	37	44	48

- *Satellite aircraft online*. We define satellite aircraft online as the total number of business aircraft on which we have satellite equipment in operation as of the last day of each period presented.
- *ATG aircraft online*. We define ATG aircraft online as the total number of business aircraft on which we have ATG network equipment in operation as of the last day of each period presented.
- *Average monthly service revenue per satellite aircraft online*. We define average monthly service revenue per satellite aircraft online as the aggregate satellite service revenue for the period, divided by the number of satellite aircraft online during the period (expressed as an average of the month end figures for each month in such period).
- *Average monthly service revenue per ATG aircraft online.* We define average monthly service revenue per ATG aircraft online as the aggregate ATG service revenue for the period, divided by the number of ATG aircraft online during the period (expressed as an average of the month end figures for each month in such period).
- *Units shipped*. We define units shipped as the number of satellite or ATG network equipment units, respectively, shipped during the period.
- *Average equipment revenue per satellite unit shipped*. We define average equipment revenue per satellite unit shipped as the aggregate equipment revenue earned from all satellite shipments during the period, divided by the number of satellite units shipped.
- *Average equipment revenue per ATG unit shipped.* We define average equipment revenue per ATG unit shipped as the aggregate equipment revenue from all ATG shipments during the period, divided by the number of ATG units shipped.

Key Components of Consolidated Statements of Operations

We conduct our business through two operating segments, the CA segment and the BA segment. The following briefly describes certain key components of revenue and expenses as presented in our consolidated statements of operations for each of our operating segments.

Revenue:

We generate two types of revenue through each of our operating segments: service revenue and equipment revenue.

Commercial Aviation:

Service revenue. Service revenue for the CA segment, which currently represents substantially all of the CA segment revenue, is derived primarily from Gogo Connectivity related revenue from purchases of individual sessions, monthly renewable subscriptions and multiple session packages, as well as fees paid by third parties who sponsor free or discounted access to Gogo Connectivity to passengers. The CA segment also generates revenue through third-party advertising fees and e-commerce revenue share arrangements which we refer to as our Gogo Signature Services. Additionally, we generate revenue from fees paid by passengers for access to content on Gogo Vision, which we launched in August 2011 and October 2011 on aircraft operated by American Airlines and Delta Air Lines, respectively, and which we have agreed to launch on US Airways. Under the terms of agreements with each of our airline partners, we provide our Gogo service directly to airline passengers and set the pricing for the service. Our customers remit payment directly to us and we remit a share of the revenue to the applicable airline. Although we expect to continue to derive a substantial majority of the CA service revenue from Gogo Connectivity related revenue, we expect our revenue from Gogo Signature Services and Gogo Vision to increase in future periods.

Equipment revenue. We currently have three types of connectivity agreements with our airline partners. Equipment transactions under one form of agreement, which we have used with only one airline partner, qualify for sale treatment due to the specific provisions of the agreement. Equipment revenue generated under this one agreement accounted for less than 2% of the CA segment's revenue for the years ended December 31, 2011 and 2010, and we do not expect it to be a material portion of the CA segment revenue going forward. The remaining two types of connectivity agreements are treated as operating leases of space for our equipment on the aircraft. See "—Cost of Service Revenue" below for further information regarding accounting for equipment transactions under these other two forms of connectivity agreements.

Business Aviation:

Service revenue. Service revenue for the BA segment is principally derived from subscription fees paid by aircraft owners and operators for telecommunication and data services that we provide by means of satellite-based services that we resell or our Gogo Biz in-flight broadband internet access using our ATG network. In 2011, revenue derived from subscription fees for our Gogo Biz service and for our satellite based services that we resell was 64% and 36% of the BA segment's total service revenue, respectively, as compared with 32% and 68%, respectively, during the prior year.

Equipment revenue. Equipment revenue for the BA segment is derived from the sale of satellite-based and ATG telecommunication equipment to original equipment manufacturers of aircraft ("OEMs") and a network of aftermarket dealers who are FAA certified to install avionics on business aircraft, including aircraft used in the fractional jet market. In 2011, revenue derived from sales of ATG and satellite-based telecommunications equipment was 55% and 45% of the BA segment's total equipment revenue, respectively, as compared with 47% and 53%, respectively, during the prior year.

Cost of Service Revenue:

Commercial Aviation:

Cost of service revenue for the CA segment includes network operations, revenue share, and transactional costs.

Network operations represent the costs to operate and maintain our ATG network, including backhaul, site leases, cell site operations, data centers, network operations center, network technical support, aircraft operations, component assembly and portal maintenance. Our network operations costs include a significant portion of costs that are relatively fixed in nature and do not fluctuate directly with revenue.

Revenue share consists of payments made to our airline partners under our connectivity agreements. Under connectivity agreements representing a majority of aircraft online as of December 31, 2011, we maintain legal title to our equipment and no payments in respect of such equipment are made to us by our airline partners. Under these agreements the initial revenue share percentage earned by our airline partners are below our standard rates. Upon the occurrence of stipulated triggering events, such as the passage of time or the achievement of certain revenue or installation thresholds, the revenue share percentage increases to a contractually agreed upon rate in line with our standard rates. We also have connectivity agreements pursuant to which our airline partners make an upfront payment for our ATG equipment and take legal title to such equipment. Under these agreements, the revenue share percentage earned by our airline partners is set at a fixed percentage of service revenue at our standard rates throughout the term of the agreement. Upfront payments made pursuant to these agreements are accounted for as deferred airborne lease incentives which are amortized on a straight-line basis as a reduction of cost of service revenue over the term of the agreement. We expect the share of our connectivity agreements under which our airline partners make an upfront payment for our ATG equipment to increase going forward as this type of connectivity agreement is the primary type we are currently offering to prospective North American airline partners and to existing airline partners that wish to expand the Gogo service into additional fleets.

Transactional costs include billing costs and transaction fees charged by third-party service providers.

Business Aviation:

Cost of service revenue for the BA segment primarily consists of satellite provider service costs and also includes related transactional costs. Starting in July 2010, we began allocating a portion of the CA segment's network costs to the BA segment as BA's customers' usage of the ATG network expanded beyond an immaterial amount. This allocation to the BA segment is made based on a per megabyte charge.

Cost of Equipment Revenue:

Our cost of equipment, for both the CA and BA segments, primarily consists of the purchase costs for component parts used in the manufacture of our equipment and, for the BA segment, production costs associated with the equipment sales.

Engineering, Design and Development Expenses:

Commercial Aviation:

Engineering, design and development expenses for the CA segment include activities related to the development of ground and airborne systems, including customization of network and airborne equipment, design of airborne system installation processes, design and development of next generation technologies and costs associated with obtaining and maintaining FAA certifications.

Business Aviation:

Engineering, design and development expenses for the BA segment include activities related to the enhancement of existing products, the design and development of next generation products and costs associated with obtaining and maintaining FAA certifications.

Sales and Marketing Expenses:

Commercial Aviation:

Sales and marketing expenses for the CA segment consist primarily of costs associated with cultivating our relationships with our airline partners and attracting additional Gogo customers. Sales and marketing activities related to the airlines include contracting with new airlines to offer Gogo service on their aircraft, contracting to add additional aircraft operated by our existing airline partners to the Gogo-installed fleet, joint marketing of the Gogo service with our airline partners and program management related to Gogo service launches and trade shows. Sales and marketing activities related to our Gogo customers include advertising and marketing campaigns and promotions as well as customer service related activities to our Gogo customers.

Business Aviation:

Sales and marketing expenses for the BA segment consist of costs associated with activities related to customer sales, advertising and promotions, trade shows, and customer service and technical support related activities. Customer service provides support to end users.

General and Administrative Expenses:

For both the CA and BA segments, general and administrative expenses include staff and related operating costs of the business support functions, including finance and accounting, legal, human resources, administrative, information technology and executive groups. Certain corporate office operating expenses included within the CA segment that are shared by both of our segments are not allocated to the BA segment.

Upon the completion of this offering, we will be required to comply with new accounting, financial reporting and corporate governance standards as a public company that we expect will cause our general and administrative expenses to increase. Such costs will include, among others, increased auditing and legal fees, board of director fees, investor relations expenses, and director and officer liability insurance costs. We do not expect these costs to be material.

Depreciation and Amortization:

Depreciation expense for both the CA and BA segments includes depreciation expense associated with our office equipment, furniture, fixtures and leasehold improvements. Additionally the depreciation expense for the CA segment includes depreciation of our airborne and network related equipment. We depreciate these assets on a straight-line method over their estimated useful lives that range from 3-25 years, depending on the assets being depreciated.

Amortization expense for both the CA and BA segments includes the amortization of our finite lived intangible assets on a straight-line basis over the estimated useful lives that range from 3-10 years, depending on the items being amortized.

Segment Profit (Loss)

We measure our segments' performance on the basis of segment profit (loss), which is calculated internally as net income (loss) attributable to common stock before interest expense, interest income, income taxes, depreciation and amortization, and certain non-cash charges (including amortization of deferred airborne lease incentives, stock compensation expense, fair value derivative adjustments, Class A and Class B senior convertible preferred stock return, accretion of preferred stock, and loss on extinguishment of debt).

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of our consolidated financial statements and related disclosures require us to make estimates, assumptions and judgments that affect the reported amount of assets, liabilities, revenue, costs and expenses, and related exposures. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. In some instances, we could reasonably use different accounting estimates, and in some instances results could differ significantly from our estimates. We evaluate our estimates and assumptions on an ongoing basis. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We believe the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results, and they require our most difficult, subjective or complex judgments, resulting from the need to make estimates. For a discussion of our significant accounting policies to which many of these critical estimates relate, see Note 2, "Summary of Significant Accounting Policies," to our consolidated financial statements for the year ended December 31, 2011 included elsewhere in this prospectus.

Long-Lived Assets:

Our long-lived assets (other than goodwill and indefinite-lived assets which are separately tested for impairment) are evaluated for impairment whenever events indicate that the carrying amount of such assets may not be recoverable. We evaluate long-lived assets for impairment by comparing the carrying value of the long-lived assets with the estimated future net undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. If the future net undiscounted cash flows are less than the carrying value, we then calculate an impairment loss. The impairment loss is calculated by comparing the long-lived assets carrying value with the estimated fair value, which may be based on estimated future discounted cash flows. We would recognize an impairment loss by the amount the long-lived asset's carrying value exceeds the estimated fair value. If we recognize an impairment loss, the adjusted balance becomes the new cost basis and is depreciated (amortized) over the remaining useful life of the asset.

Our impairment loss calculations contain uncertainties because they require management to make assumptions and to apply judgment to estimate future cash flows and long-lived asset fair values, including forecasting useful lives of the long-lived assets and selecting discount rates.

We do not believe there is a reasonable likelihood that there will be a material change in the nature of the estimates or assumptions we use to calculate our long-lived asset impairment losses. However, if actual results are not consistent with our assumptions used, we could experience an impairment triggering event and be exposed to losses that could be material.

Indefinite-Lived Asset:

We have one indefinite-lived intangible asset, our FCC license. Indefinite-lived intangible assets are not amortized but are reviewed for impairment at least annually or whenever events indicate that the carrying amount of such assets may not be recoverable. We perform our annual impairment test during the fourth quarter of each fiscal year. In determining which approach was most appropriate, we considered the cost approach, market approach and income approach. We determined that the income approach, utilizing the Relief from Royalty and the Greenfield methods, is the most appropriate way to value our indefinite-lived asset.

The Relief from Royalty method is based on the assumption that, in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of this asset class. The Relief from Royalty method involves two steps: (i) estimation of reasonable royalty rates for the assets and (ii) the application of

these royalty rates to a net sales stream and discounting the resulting cash flows to determine a value. We multiplied the selected royalty rate by the forecasted net sales stream to calculate the cost savings (relief from royalty payment) associated with the asset. The cash flows are then discounted to present value by the selected discount rate and compared to the carrying value of the asset.

For the Greenfield method we estimate the value of an intangible asset by calculating the present value of the cash flows of a hypothetical new market participant whose only asset is the FCC license to determine the enterprise value of the entire company. It includes all necessary costs and expenses to build the company's infrastructure during the start-up period, projected revenue, and cash flows once the infrastructure is completed. Since there are no corroborating data available in the market place that would demonstrate a market participant's experience in setting up an "air-to-ground" business, we utilized our historic results and future projections as the basis for the application of the Greenfield method. We followed the traditional discounted cash flow method, calculating the present value of a new market participant's estimated debt free cash flows.

We weighted the values derived under the Relief from Royalty method 70% and Greenfield method 30% to arrive at the weighted fair value of the FCC spectrum license. Both valuation methods returned results that indicated no impairment.

We determined that a higher weighting was appropriate for the Relief from Royalty method as we were able to observe publicly available information on transactions in the telecommunications industry that we believe are a reasonable proxy for our air-to-ground system, whereas, the Greenfield method incorporates assumptions based on our own data, without independent corroboration.

Our impairment loss calculations contain uncertainties because they require management to make assumptions and to apply judgment to estimate future projected results and estimated respective growth rates, royalty rates, and discount rates, as well as new market participant assumptions. In our 2011 and previous annual impairment assessments, we used a 5% to 6% range for our estimated royalty rates. Estimates used in connection with the discounted cash flow analysis were consistent with the plans and estimates that we used to manage the business, although there was inherent uncertainty in these estimates. The discount rate used in the calculation was consistent with the discount rate used to discount the CA segment cash flows in the discounted cash flow analysis described below under "Derivative Liabilities and Fair Value Derivative Adjustments." We determined that using a consistent rate was appropriate given the critical nature of the FCC spectrum license to the operations of the CA segment. In establishing the discount rate for the Greenfield method, we considered that a new market participant in 2011 would benefit from the market awareness of in-flight connectivity services already established and the proven technological feasibility of the air-to-ground network.

We do not believe there is a reasonable likelihood that there will be a material change in the estimates or assumptions we use to calculate the fair value of our indefinite-lived intangible asset. However, if actual results are not consistent with our assumptions used, we could be exposed to losses that could be material. At the 2011 annual impairment test date, our conclusion that there was no indication of impairment would not have changed had the test been conducted assuming: 1) a 100 basis point increase in the discount rate used to discount the aggregated estimated cash flows of the asset to their net present value in determining the asset's estimated fair value (without any change in the aggregate estimated cash flows), 2) a 100 basis point decrease in the terminal growth rate (without a change in the discount rate used), or 3) a 100 basis point decrease in the royalty rate applied to the forecasted net sales stream of the FCC spectrum license in the Relief from Royalty method. The weighted fair value of the FCC spectrum license exceeded its carrying value by more than 100%.

Derivative Liabilities and Fair Value Derivative Adjustments:

Our Class A Preferred Stock and Junior Preferred Stock include features that qualify as embedded derivatives. The embedded derivatives were bifurcated from the host contract and separately accounted for as derivative liabilities. As derivative liabilities, these features are required to be initially recorded at the fair value

on the date of issuance and marked to fair value at the end of each reporting period. The fair value of the Company's preferred stock, common stock and embedded derivatives has historically been determined on a quarterly basis by management with input from an independent third-party valuation specialist. We determined the fair value of the embedded derivatives utilizing methodologies, approaches, and assumptions consistent with the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, or the AICPA Practice Aid. The fair value of the derivatives was estimated using a probability-weighted expected return method ("PWERM"). Under the PWERM, the value of all of our various equity securities, including the embedded derivatives, was estimated based upon an analysis of expected future values at the time of a liquidity event, including an IPO and a sale of the Company. The estimated fair value of the embedded derivatives was based upon the probability-weighted present value of the expected value of our various equity securities at the time of a future IPO or sale of the Company, as well as the rights of each class of security. The scenarios included in the PWERM analysis reflect the possible different levels of financial performance as a result of varying the timing and pace of market acceptance for the Gogo service, as well as overall market conditions and varying the timing of any potential IPO or sale of the Company. For each scenario of the PWERM our value at the time of the future liquidity event was estimated under the income approach using a discounted cash flow analysis. The business assumptions underlying each of the discounted cash flow scenarios were consistent with the plans and estimates that we used at the time to manage the business, although there was inherent uncertainty in these estimates.

The PWERM and the discounted cash flow analyses underlying each scenario represent Level 3 unobservable inputs. The PWERM and the income approach were deemed to best represent the valuation models investors would likely use in valuing us.

Our derivative liabilities contain uncertainties because they require management to make assumptions and to use their judgment to estimate the following inputs into our PWERM model (listed in order of significance):

1) ***Projected Future Cash Flows.*** Our projected future cash flows assume future increases in the number of aircraft online and in the adoption rate of our service, and introduction of new products and services. In addition, we make certain assumptions relating to the development cost of new products and technologies, operating costs and capital expenditures.

2) ***Discount Rate***. The discount rate used to calculate the present value of the prospective cash flows is estimated using the Capital Asset Pricing Model (CAPM) inputs. The most significant estimates in the CAPM model are the average risk premiums specific to the CA and BA segments' future cash flows. We evaluate quantitative and qualitative factors every quarter that help us assess the level of risk inherent in our projections. Generally speaking, the average risk premiums have declined over time as our operations have matured and provided strong operating and financial results that were consistent with previously issued projections.

3) ***Discount for the Lack of Marketability.*** The discount for the lack of marketability of our preferred and common stock is estimated using both quantitative and qualitative methods. The discount for the lack of marketability has declined as we approach a potential liquidity event.

4) ***Timing and Probability of Potential Liquidity Events.*** We utilize four liquidity scenarios in our PWERM model, each of which has different financial performance and liquidity event timing assumptions. As of December 31, 2011, the first two scenarios, which represent 60% of the overall enterprise value, assume the IPO occurs in the first half of 2012. The other two scenarios, which represent 40% of the overall enterprise value, assume a delayed IPO and a sale of the Company. Each scenario has a set of assumptions that represents sensitivity around future revenue and cash flow projections.

Our derivative liabilities will typically decrease, resulting in other income in our statement of operations, when our enterprise value increases, and will typically increase, resulting in other expense, when our enterprise value declines. Our current derivative liabilities stem from features in our Class A Senior Convertible Preferred

Stock (the "Class A Preferred Stock") and Junior Convertible Preferred Stock (the "Junior Preferred Stock") that are tied to our enterprise valuation. For example, the Class A Preferred Stock contains a liquidation preference feature that provides for a minimum cumulative return to the holder of the Class A Preferred Stock if a Deemed Liquidation Event occurs. As our total enterprise value increases, the value of that special liquidation preference declines as eventually the increase in our total enterprise value will reach a level where the holders of the Class A Preferred Stock will convert to common stock in order to receive a cumulative return larger than the minimum levels defined in the liquidation preference, thus making such liquidation preference worthless. Upon consummation of this offering, at our election, all of our outstanding shares of convertible preferred stock will convert into shares of our common stock and any amounts recorded in preferred stock and derivative liabilities will be reclassified into additional paid-in capital. If, as anticipated, we make such election, we will not have, and our financial statements will not reflect, such derivative liabilities after the consummation of this offering.

For the year ended December 31, 2011, we recorded $58.7 million of other income associated with the fair value derivative adjustments driven by the increase in our estimated enterprise value. The increase in enterprise value was primarily due to a reduction in the discount rate applied to our projected future cash flows. We reduced the discount rate due to strong operating and financial performance against 2011 projections and better visibility into our future projections. For the year ended December 31, 2010, we recorded $33.2 million of expense associated with fair value derivative adjustments. The expense recorded for the year ended December 31, 2010 primarily related to a reduction in our projections that occurred in mid-2010, based on an updated assessment of market conditions and the pace of market acceptance for our Gogo service, which resulted in a reduction of our estimated enterprise value.

In 2011, the value of embedded derivatives associated with our Class A Preferred Stock substantially declined as more investors of our Class A Preferred Stock would choose to forego their liquidation preference in lieu of a higher return triggered by conversion into common stock upon the occurrence of a liquidity event. The value of embedded derivatives associated with our Junior Preferred Stock declined to zero as the fair value of the Junior Preferred Stock increased above $10,000 per share, the level at which the derivative liability is zero.

Should our enterprise value decrease in future periods, we will likely incur other expense as the value of the embedded derivatives will likely increase, and future increases in our enterprise value will likely result in other income as the value of the Class A Preferred Stock embedded derivative will likely decline. Such fluctuations could be material to our financial position and results of operations for any single period.

Share-Based Compensation:

We account for stock-based compensation based on the grant date fair value of the award. We recognize this cost as an expense, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the respective award. Forfeitures are estimated based on our historical analysis of attrition levels, and such estimates are generally updated annually for actual forfeitures or when any significant changes to attrition levels occur. We use the Black-Scholes option-pricing model to determine the estimated fair value of stock options. Critical inputs into the Black-Scholes option-pricing model include: the estimated grant date fair value of our common stock; the option exercise price; the expected term of the option in years; the annualized volatility of the stock; the risk-free interest rate; and the annual rate of quarterly dividends on the stock, which are estimated as follows:

- ***Fair Value of Our Common Stock.*** Our common stock has not yet been publicly traded, therefore we estimate the fair value of the common stock underlying our stock options. The fair value of our common stock has historically been determined on a quarterly basis by management with input from an independent third-party valuation specialist in connection with the valuation discussed above related to our embedded derivative liabilities. Please refer to "—Common Stock Valuations" below for a detailed discussion about assumptions used in estimating the grant date fair value of the common stock underlying our stock options.

- ***Option Exercise Price.*** The exercise price of stock options is determined by the Compensation Committee of our Board of Directors with the input of the same independent third-party valuation specialist. The table, as set forth in "—Common Stock Valuations" below, summarizes our option grants under the Aircell Holdings Inc. Stock Option Plan during 2010 and 2011, including the number of options granted, the option exercise price, the estimated fair value of our common stock on the grant date, and the fair value of the options granted.
- ***Expected Term.*** The expected term of the stock options is determined based upon the simplified approach, allowed under SEC Staff Accounting Bulletin No. 110, which assumes that the stock options will be exercised evenly from vesting to expiration, as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. As we obtain data associated with future exercises, the expected term of future grants will be adjusted accordingly.
- ***Volatility.*** Expected volatility is calculated as of each grant date based on reported data for a peer group of publicly traded companies for which historical information is available. We intend to continue to use peer group volatility information until our historical volatility can be regularly measured against an open market. While we are not aware of any news or disclosure by our peers that may impact their respective volatility, there is a risk that peer group volatility may increase, thereby increasing any prospective future compensation expense that will result from future option grants.
- ***Risk-free Rate.*** The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities similar to the expected term of the options for each option group.
- ***Dividend Yield.*** We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we used an expected dividend yield of zero.

If any of the assumptions used in the Black-Scholes model changes significantly, stock-based compensation for future awards may differ materially compared with the awards granted previously. The inputs that create the most sensitivity in our option valuation model are the estimated grant date fair value of our common stock and volatility. The following table presents the weighted-average assumptions used to estimate the fair value of options granted during the periods presented:

	2011	2010
Approximate risk-free interest rate	1.2%	2.6%
Average expected life	6.25 years	6 years
Dividend yield	N/A	N/A
Volatility	44.7%	73.8%
Weighted average grant date fair value of common stock underlying options granted	$ 1,464.71	$ 457.14
Weighted average grant date fair value of stock options granted	$ 572.21	$ 240.41

Common Stock Valuations

We determined the estimated fair value of our common stock utilizing methodologies, approaches, and assumptions consistent with the AICPA Practice Aid. The estimated fair value of the common stock underlying our stock options has been valued using an income approach and a PWERM using Level 3 unobservable inputs, as the income approach and PWERM were deemed to best represent the valuation models investors would likely use in valuing us. Estimates used in connection with the discounted cash flow analysis were consistent with the plans and estimates that we used to manage the business, although there was inherent uncertainty in these estimates.

In the absence of a public trading market, our management exercised significant judgment and considered numerous objective and subjective factors to determine the estimated fair value of our common stock as of the date of each option grant. Such factors include:

- our operating and financial performance;
- current business conditions and projections;
- the hiring of key personnel;
- the market performance of comparable publicly-traded companies;
- the U.S. and global capital market conditions;
- our stage of development and related discount rate;
- the prices, rights, preferences and privileges of our preferred stock relative to the common stock;
- timing of potential liquidity events and their probability of occurring; and
- any adjustment necessary to recognize a lack of marketability of our common stock.

We granted stock options under the Aircell Holdings, Inc. Stock Option Plan with the following exercise prices during 2010 and 2011:

Option Grant	Number of Options Granted	Exercise Price	Estimated Fair Value of Common Stock	Gross Fair Value of Options
June 2010	21,985	$ 935.18	$ 443.27	$5,211,865
September 2010	2,615	$ 935.18	$ 523.22	$ 795,802
October 2010	2,000	$ 935.18	$ 523.22	$ 531,145
March 2011	250	$ 935.18	$ 838.81	$ 93,944
April 2011	600	$ 935.18	$ 838.81	$ 225,467
December 2011	10,455	$1,830.96	$ 1,515.60	$6,149,382

Significant factors that affected the fair value of our common stock at these grant periods include:

Options Granted in June 2010

In December 2009, at the time of our C-Corp conversion, based on our then current financial projections, expectation as to the timing of a liquidity event, the terms and preferences of our various classes of capital stock, and the valuation implied by the Class A Preferred Stock investment by new investors, we estimated the value of our common stock at $876.68 per share. Between such date and June 30, 2010, the estimated fair value of our common stock declined to $443.27 per share. The decrease in fair value was driven primarily by changes in the underlying financial projections related to the CA segment resulting from a slower pace of installations driven by a slowdown in the post-recession economic recovery as well as airline consolidations, and changes in the underlying financial projections in the BA segment due primarily to the negative effect of the economic downturn on the business aviation industry. Given the depressed business environment and lack of visibility in the economic recovery, we also delayed our liquidity event timing assumptions by 6-9 months, thereby increasing the discount for lack of marketability from 20% to 25%. We granted options to purchase 21,985 shares of common stock in June 2010 with an exercise price of $935.18 per share.

Options Granted in September 2010 and October 2010

The estimated fair value of our common stock increased to $523.22 per share from June 2010 to September 2010. The increase in value was primarily driven by the time value of money as we executed well against the revised projections and moved one quarter closer to the anticipated timing of the liquidity event. As a result, the

discount for lack of marketability of our common stock was adjusted from 25% to 20%. We granted options to purchase 4,615 shares of common stock in September and October 2010 with an exercise price of $935.18 per share.

Options Granted in March 2011 and April 2011

The estimated fair value of our common stock increased to $838.81 per share from September 2010 to March 2011. The increase in value was driven by strong operating results during the second half of 2010 as compared to the revised forecast and an improved outlook for the CA segment. In addition, the discount for lack of marketability declined from 20% to 10% as we moved closer to a potential liquidity event. Such increases in fair value were offset to some extent by dilution resulting from the issuance of additional Class A Preferred Stock. We granted options to purchase 850 shares of common stock in March and April of 2011 at an exercise price of $935.18 per share.

Options Granted in December 2011

The estimated fair value of our common stock increased to $1,515.60 from March 2011 to December 2011. The increase in fair value was primarily driven by a reduction in the discount rate that we apply to projected cash flows. We reduced the discount rate based on strong operating and financial performance by the CA and BA segments against 2011 projections and better visibility into our future projections. We updated our projections in December of 2011 to reflect the most recent sales forecasts for the CA and BA segments. As discussed under "—Derivative Liabilities and Fair Value Derivative Adjustments" above, we estimate enterprise value and fair value of common stock quarterly, by analyzing four potential liquidity scenarios. The relative weighting of the scenarios stayed consistent between March 2011 and December 2011. However, liquidity dates were adjusted to reflect current expectations of a liquidity event. As the projected length of time to a potential liquidity event has decreased, the Company's enterprise value has increased as a result of the reduction in the discounting period in the present value calculation. We granted options to purchase 10,455 shares of common stock in December of 2011 at an exercise price of $1,830.96 per share.

Recent Accounting Pronouncements

In May 2011, FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards* ("IFRS"). This pronouncement was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and IFRS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011, with early adoption prohibited. The new guidance will require prospective application. We will adopt this guidance as of January 1, 2012. Adoption of this guidance is not expected to have a material impact on our financial position, results of operations or cash flows.

Results of Operations

The following table sets forth, for the periods presented, certain data from our consolidated statement of operations. The information contained in the table below should be read in conjunction with our consolidated financial statements and the related notes.

Statements of Operations Data

	Year Ended December 31,		
	2009	2010	2011
	(in thousands)		
Consolidated Statements of Operations Data:			
Revenue:			
Service Revenue	$ 15,626	$ 58,341	$103,918
Equipment Revenue	21,216	36,318	56,238
Total Revenue	36,842	94,659	160,156
Operating expenses:			
Cost of service revenue (exclusive of items shown below)	37,903	46,474	54,605
Cost of equipment revenue (exclusive of items shown below)	9,874	14,919	23,240
Engineering, design and development	21,901	19,228	22,245
Sales and marketing	27,762	23,624	25,116
General and administrative	28,340	36,384	36,101
Depreciation and amortization	21,898	30,991	32,673
Total operating expenses	147,678	171,620	193,980
Operating loss	(110,836)	(76,961)	(33,824)
Total other (income) expense	31,430	33,158	(58,492)
Net income (loss) before income tax provision	(142,266)	(110,119)	24,668
Income tax provision	—	3,260	1,053
Net income (loss)	(142,266)	(113,379)	23,615
Class A and Class B senior convertible preferred stock return	—	(18,263)	(31,331)
Accretion of preferred stock	—	(8,501)	(10,181)
Net loss attributable to common stock	$(142,266)	$(140,143)	$(17,897)

Years Ended December 31, 2010 and 2011

Revenue:

Revenue by segment and percent change for the years ended December 31, 2010 and 2011 was as follows:

	For the Years Ended December 31,		% Change
	2010	2011	2011 Over 2010
	(in thousands)		
Service Revenue:			
CA	$48,318	$ 83,421	72.6%
BA	10,023	20,497	104.5%
Total Service Revenue	$58,341	$103,918	78.1%
Equipment Revenue:			
CA	$ 1,072	$ 2,539	136.8%
BA	35,246	53,699	52.4%
Total Equipment Revenue	$36,318	$ 56,238	54.8%
Total Revenue:			
CA	$49,390	$ 85,960	74.0%
BA	45,269	74,196	63.9%
Total Revenue	$94,659	$160,156	69.2%

Commercial Aviation:

CA revenue increased for the year ended December 31, 2011 as compared with the prior year primarily due to an increase in service revenue. The increase in CA service revenue was primarily due to an increase in GPO and ARPP. GPO increased to 192.1 million as of December 31, 2011, from 152.7 million as of December 31, 2010, driven by an increase in aircraft online to 1,345 as of December 31, 2011, from 1,056 as of December 31, 2010. ARPP increased to $0.43 for the year ended December 31, 2011 as compared with $0.32 for the prior year primarily due to an increase in average revenue per session, or ARPS, which is Gogo Connectivity revenue divided by the total number of times passengers use Gogo Connectivity during the period. ARPS increased to $9.01 for the year ended December 31, 2011 as compared with $6.62 in the prior year. A large sponsorship in the fourth quarter of 2010 generated a significant increase in sessions which reduced ARPS in 2010 by approximately $2.00. We did not have a sponsorship of similar magnitude during 2011. ARPS also increased in 2011 because revenue generated by subscriptions, which have a higher ARPS than other Gogo Connectivity user-purchase options, increased to approximately 33% of Gogo Connectivity revenue in the year ended December 31, 2011 as compared with approximately 11% in the prior year and because we offered fewer discounts on Gogo Connectivity in 2011. The large sponsorship in the fourth quarter of 2010 mentioned above increased our average connectivity take-rate, which is the number of times passengers use Gogo Connectivity during the period expressed as a percentage of GPO, by approximately 1.3% in 2010, which resulted in the average connectivity take-rate remaining constant at 4.7% in 2010 and 2011. Excluding the impact of the sponsorship, the increase in the underlying take-rate for 2011 as compared with 2010 was due to the expansion of our footprint across a larger number of aircraft as well as various marketing efforts, which together led to increased passenger awareness and therefore adoption of the Gogo service. Passengers used Gogo Connectivity 9.0 million times in 2011 as compared with 7.2 million times in the prior year.

A summary of the components of CA's service revenue for the years ended December 31, 2010 and 2011 is as follows:

	For the Years Ended December 31,	
	2010	2011
	(in thousands)	
Gogo Connectivity revenue[1]	$47,413	$81,489
Gogo Vision, Gogo Signature Services and other service revenue[2]	905	1,932
Total service revenue	$48,318	$83,421

(1) Gogo Connectivity revenue includes sponsorship revenue. We earn sponsorship revenue under agreements with various third parties who sponsor free or discounted access to the Gogo service in exchange for promotion on our platform. Sponsorship revenue accounted for 3.9% of Gogo Connectivity revenue for the year ended December 31, 2011 as compared with 18.7% for the prior year. As noted above, during the fourth quarter of 2010 we had a large sponsorship. We did not have a sponsorship of similar magnitude during 2011, and we do not currently expect a sponsorship of similar magnitude going forward.

(2) Other service revenue includes content filtering and VoIP access for airlines' flight crews.

Business Aviation:

BA revenue increased for the year ended December 31, 2011 as compared with the prior year due to increases in both equipment and service revenue. BA service revenue increased for the year ended December 31, 2011 primarily due to more customers subscribing to our Gogo Biz service. The number of ATG aircraft online increased to 860 as of December 31, 2011 as compared with 318 as of December 31, 2010.

BA equipment revenue increased 52.4% to $53.7 million for the year ended December 31, 2011 as compared with $35.2 million for the prior year, primarily due to increased demand for our ATG product line and,

to a lesser extent, an increase in demand for our traditional satellite products. ATG equipment revenue increased to $29.3 million for the year ended December 31, 2011 from $16.5 million for the prior year. The increase in ATG equipment revenue was primarily due to a 63.9% increase in the number of ATG units shipped for the year ended December 31, 2011 as compared with the prior year as demand for our ATG equipment offerings increased due to heightened demand for our Gogo Biz service. The BA segment's satellite equipment revenue increased to $24.4 million for the year ended December 31, 2011 from $18.7 million for the prior year, primarily due to a change in our product mix to higher priced equipment and due to a 7.7% increase in the number of satellite equipment units shipped.

Cost of Service Revenue:

Cost of service revenue by segment and percent change for the years ended December 31, 2010 and 2011 were as follows:

	For the Years Ended December 31,		% Change
	2010	2011	2011 Over 2010
	(in thousands)		
CA	$41,924	$48,830	16.5%
BA	4,550	5,775	26.9%
Total	$46,474	$54,605	17.5%

The increase in cost of service revenue for the CA segment for the year ended December 31, 2011 as compared with the prior year was primarily due to an increase in the amount of revenue share earned by our airline partners. The revenue share increase was driven primarily by the increase in CA service revenue for the period. CA cost of service revenue also increased due to increased network operations, billing and transaction related expenses as a result of an increase in the number of Gogo Connectivity sessions.

The increase in cost of service revenue for the BA segment for the year ended December 31, 2011 as compared with the prior year was primarily due to an increase in the allocation of the CA segment's network costs to the BA segment. In July 2010 we began allocating a portion of the CA segment's network costs to the BA segment as BA customers' usage of the ATG network expanded beyond an immaterial amount as a result of an increase in the number of Gogo Biz subscribers. Our satellite service fees also increased for the period ended December 31, 2011 as compared with the prior year as the number of subscribers to our satellite services increased from 4,553 to 4,733.

We expect cost of service revenue to increase due to increases in revenue share, billing and transaction expenses as our service revenue increases. We also expect revenue share expense to increase as the revenue share percentage under certain of our connectivity agreements increases due to the occurrence of contractually stipulated triggering events by the end of 2012. We currently estimate that such increases will amount to approximately 10% of the CA segment's service revenue. In addition, revenue share expense and percentage may increase in future periods driven by growth in Gogo Vision and Gogo Signature Services and to the extent (if any) that future connectivity agreements provide for increased revenue share percentages in favor of our airline partners. We believe that our network related expenses will increase to support the projected increased use and expansion of our network. Additionally, due to the relatively young age of our ATG network, maintenance expenses for the years ended December 31, 2010 and 2011 were relatively low compared to what we expect our maintenance costs will be in future periods. However, a significant portion of our network operations costs is relatively fixed in nature and does not fluctuate directly with revenue. As such, we expect network expenses as a percentage of service revenue to decline as we continue to achieve economies of scale in our business. We expect total cost of service revenue to decline as a percentage of total service revenue in future periods as we realize efficiencies inherent in the scalability of our business.

Cost of Equipment Revenue:

Cost of equipment revenue by segment and percent change for the years ended December 31, 2010 and 2011 were as follows:

	For the Years Ended December 31,		% Change
	2010	2011	2011 Over 2010
	(in thousands)		
CA	$ 737	$ 1,831	148.4%
BA	14,182	21,409	51.0%
Total	$14,919	$23,240	55.8%

The increase in the cost of equipment revenue for the year ended December 31, 2011 was driven primarily by an increase in the BA segment's equipment shipments to 1,231 units for the year ended December 31, 2011 as compared with 948 units for the prior year. The increase in cost of equipment revenue was also due to a shift in product mix to higher priced products that have a higher cost. We expect that our cost of equipment revenue will vary with changes in equipment revenue.

Engineering, Design and Development Expenses:

Engineering, design and development expenses increased 15.7% to $22.2 million for the year ended December 31, 2011 as compared with $19.2 million for the prior year, primarily due to a 75.5% increase in spending in the BA segment, partially offset by a 5.3% decrease in spending in the CA segment. The increase in engineering, design and development expenses for the BA segment was due to an increase in spending on next generation products including the Aircell Smartphone. The decline in engineering, design and development expenses for the CA segment was primarily due to a decline in the number of Supplemental Type Certifications, or STCs, that were in process due to fewer aircraft types remaining for which we had not previously obtained an STC. We obtained STCs in 2009 and 2010 for nearly all aircraft types currently under contract.

We expect engineering, design and development expenses to increase in 2012 as compared with 2011 as we execute our technology roadmap, expand internationally, and continue the development of next generation products and services.

Sales and Marketing Expenses:

Sales and marketing expenses increased 6.3% to $25.1 million for the year ended December 31, 2011 as compared with $23.6 million for the prior year, primarily due to a 30.8% increase in spending within the BA segment partially offset by a 2.8% decrease in spending in the CA segment. Consolidated sales and marketing expenses as a percentage of total consolidated revenue decreased to 15.7% for the year ended December 31, 2011 as compared with 25.0% for the prior year. The increase in the BA segment's sales and marketing expenses was primarily due to an increase in personnel related expenses, which includes commissions earned on equipment sales, to support sales growth. Personnel related expenses for the BA segment increased to $5.9 million for the year ended December 31, 2011 from $4.6 million for the prior year. The decline in sales and marketing expenses in the CA segment was primarily due to the refocusing of our marketing efforts, which included a decrease in the use of "gate teams" dedicated to promoting the availability of our Gogo service on individual flights and a decline in the use of marketing agencies. These declines were partially offset by an increase in personnel and contractor expenses as we moved away from marketing agencies, an increase in television advertising as we promoted Gogo Connectivity and an increase in customer service expenses to support increased usage of Gogo Connectivity.

We expect our sales and marketing expenses to increase in future periods as we increase advertising and promotional initiatives to attract new customers and launch and expand programs to retain our existing users. Additionally, the BA segment's sales and marketing expenses will fluctuate with its equipment revenue. However, we expect sales and marketing expenses to decline as a percentage of consolidated revenue.

General and Administrative Expenses:

General and administrative expenses decreased 0.8% to $36.1 million for the year ended December 31, 2011 as compared with $36.4 million for the prior year primarily due to a 6.0% decline within the CA segment partially offset by a 51.9% increase within the BA segment. The decline in the CA segment's general and administrative expenses was primarily due to the absence of litigation related expenses for the year ended December 31, 2011 as compared with $4.2 million of expense for the prior year associated with successfully defending a patent infringement lawsuit. The CA segment's general and administrative expenses for the year ended December 31, 2010 also included a loss on disposal of $2.4 million as we changed the scope of an internally developed software project that was in the application development stage. These declines were partially offset by an increase in personnel related expenses as we expanded our workforce to support the growth of the business and an increase in bonuses earned by our employees. The increase in the BA segment's general and administrative expenses was primarily due to an increase in personnel related expenses to support the growth of the business and an increase in bonuses earned by our employees. Consolidated general and administrative expenses as a percentage of total consolidated revenue decreased to 22.5% for the year ended December 31, 2011 as compared with 38.4% for the prior year.

We expect our general and administrative expenses to increase in future periods as we expand our workforce to support the growth of our business both domestically and internationally. However, we expect general and administrative expenses to decrease as a percentage of consolidated revenue.

Depreciation and Amortization:

Depreciation and amortization expense increased 5.4% to $32.7 million for the year ended December 31, 2011 as compared with $31.0 million for the prior year. The increase in depreciation and amortization expense was primarily due to the increase in the number of aircraft outfitted with our equipment within the CA segment. As noted above, we had 1,345 and 1,056 aircraft online as of December 31, 2011 and 2010, respectively. Depreciation and amortization in the CA segment also increased due to our network and data center expansions during 2010. These increases were partially offset by a decline in the amortization expense as certain of our software intangible assets became fully amortized during 2011.

Other (Income) Expense:

Other (income) expense and percent change for the years ended December 31, 2010 and 2011 were as follows:

	For the Years Ended December 31,		% Change
	2010	2011	2011 Over 2010
	(in thousands)		
Interest income	$ (98)	$ (72)	(26.5)%
Interest expense	37	280	656.8%
Fair value derivative adjustment	33,219	(58,740)	(276.8)%
Other expense	—	40	n/a
Total	$33,158	$(58,492)	(276.4)%

Other income was $58.5 million for the year ended December 31, 2011 as compared with other expense of $33.2 million in the prior year. The substantial majority of other (income) expense in the periods presented

relates to fluctuations associated with the recording of changes to our derivative liabilities associated with our Class A Preferred Stock and Junior Preferred Stock at fair value at each reporting date. For the year ended December 31, 2011, we recorded $58.7 million of income associated with the fair value derivative adjustments as our estimated enterprise value increased in 2011 primarily due to a reduction in the discount rate applied to our projected future cash flows. Enterprise value increased to a point where the embedded derivative in the Junior Preferred Stock had no value as of December 31, 2011. For the year ended December 31, 2010, we recorded $33.2 million of expense associated with fair value derivative adjustments. The expense recorded for the year ended December 31, 2010 primarily related to a reduction in our projections that occurred in mid-2010, which was based on an updated assessment of market conditions and the pace of market acceptance for our Gogo service, and which resulted in a reduction of our estimated enterprise value. See Note 4, “Fair Value of Financial Assets and Liabilities,” in our consolidated financial statements for additional discussion related to our derivative liabilities.

Income Taxes:

The income tax provision decreased to $1.1 million for the year ended December 31, 2011 from $3.3 million for the prior year. The decline was primarily due to an out of period valuation allowance adjustment of $2.5 million that was recorded in the first quarter of 2010, but should have been recorded in 2009, and which management believes did not have a material effect on the financial statements.

The effective income tax rate for the year ended December 31, 2011 was 4.3%, as compared with (3.0)% for the prior year. At the end of 2011 we evaluated the applicable tax rate at which we expect the reversal of our temporary differences to occur. Temporary differences are differences between the financial reporting basis and the tax basis of an asset or liability that will result in taxable income or a deduction in future years when the reported amount of the asset or liability is recorded or settled, respectively. Because the applicable tax rate is based on the period in which the reversal of such temporary differences is expected to impact taxes payable, we have increased the applicable tax rate from 34% to 35%. The difference between our effective tax rates and the U.S. federal statutory rate of 35% for the year ended December 31, 2011, was primarily due to the recording of a valuation allowance against our net deferred tax assets and the effect of the fair value adjustments to our derivative liabilities, which are excluded from taxable income (loss).

We expect our income tax provision to increase in future periods if and when we become profitable.

Segment Profit (Loss):

CA’s segment loss decreased 54.6% to $25.8 million for the year ended December 31, 2011, as compared with $56.9 million for the prior year. The decline in CA’s segment loss was due to the significant increase in service revenue, and decreases in general and administrative, engineering, design and development and sales and marketing and expenses, partially offset by an increase in cost of service revenue, as discussed above.

BA’s segment profit increased 108.3% to $25.0 million for year ended December 31, 2011, as compared with $12.0 million for the prior year. The increase in BA’s segment profit was due to the significant increases in service and equipment revenue partially offset by increases in cost of equipment revenue, engineering, design and development, general and administrative and sales and marketing expenses, as discussed above.

Years ended December 31, 2009 and 2010

Revenue:

Revenue by segment and percent change for the years ended December 31, 2009 and 2010 were as follows:

	For the Years Ended December 31,		% Change
	2009	2010	2010 Over 2009
	(in thousands)		
Service Revenue:			
CA	$ 9,269	$48,318	421.3%
BA	6,357	10,023	57.7%
Total Service Revenue	$15,626	58,341	273.4%
Equipment Revenue:			
CA	$ 1,552	$ 1,072	(30.9)%
BA	19,664	35,246	79.2%
Total Equipment Revenue	$21,216	$36,318	71.2%
Total Revenue:			
CA	$10,821	$49,390	356.4%
BA	26,021	45,269	74.0%
Total Revenue	$36,842	$94,659	156.9%

Commercial Aviation:

CA revenue increased for the year ended December 31, 2010 as compared with the prior year primarily due to an increase in service revenue. The increase in CA service revenue was primarily due to an increase in GPO to 152.7 million as of December 31, 2010, from 59.8 million as of December 31, 2009, which in turn was driven by an increase in aircraft online to 1,056 as of December 31, 2010, from 692 as of December 31, 2009 and an increase in ARPP. ARPP increased to $0.32 for the year ended December 31, 2010 as compared with $0.15 for the prior year. The increase in ARPP was primarily due to an increase in ARPS and connectivity take-rate. ARPS increased to $6.62 for the year ended December 31, 2010 as compared with $4.67 in the prior year primarily due to a decline in the use of discounts offered on Gogo Connectivity. Connectivity take-rate increased to 4.7% for the year ended December 31, 2010 as compared with 3.2% for the prior year as we had a large sponsorship during the fourth quarter of 2010 which increased our average connectivity take-rate for the year by 1.3%. We did not have a sponsorship of similar magnitude during 2009. Passengers used Gogo Connectivity 7.2 million times in 2010 as compared with 1.9 million times in the prior year.

A summary of the components of CA service revenue for the years ended December 31, 2009 and 2010 is as follows:

	For the Years Ended December 31,	
	2009	2010
	(in thousands)	
Gogo Connectivity revenue[1]	$8,957	$47,413
Gogo Signature Services and other service revenue[2][3]	312	905
Total service revenue	$9,269	$48,318

(1) Gogo Connectivity revenue includes sponsorship revenue. We earn sponsorship revenue under agreements with various third parties who sponsor free or discounted access to the Gogo service in exchange for promotion on our platform. Sponsorship revenue accounted for 18.7% of Gogo Connectivity revenue for the year ended December 31, 2010 as compared with 10.6% for the prior year. As noted above, during the fourth quarter of 2010 we had a large sponsorship which increased our connectivity take-rates during the year. We did not have a sponsorship of similar magnitude during 2009.

(2) Gogo Vision was launched in August 2011.

(3) Other service revenue includes content filtering and VoIP access for airlines' flight crews.

Business Aviation:

BA revenue increased for the year ended December 31, 2010 as compared with the prior year due to increases in both equipment and service revenue. BA service revenue increased for the year ended December 31, 2010, as compared with the prior year primarily due to more users subscribing to Gogo Biz. The number of ATG aircraft online increased to 318 as of December 31, 2010 as compared with 49 as of December 31, 2009. Satellite service revenue increased to a lesser extent as the number of aircraft online increased from 4,311 as of December 31, 2009 to 4,553 aircraft as of December 31, 2010.

BA equipment revenue increased 79.2% to $35.2 million for the year ended December 31, 2010 as compared with $19.7 million for the prior year primarily due to increased demand for our equipment as the global economy improved during 2010, in particular increasing demand for our ATG equipment that was introduced to the BA segment during 2009. ATG equipment revenue increased to $16.6 million for the year ended December 31, 2010, its first full year of sales, as compared with $5.0 million for the prior year. The number of ATG units shipped increased 169.1% from 139 units to 374 units for the year ended December 31, 2010 as compared with the prior year. BA satellite equipment revenue increased to $18.7 million for the year ended December 31, 2010 as compared with $14.6 million for the prior year primarily due to a 24.8% increase from 460 to 574 in the number of units shipped.

Cost of Service Revenue:

Cost of service revenue by segment and percent change for the years ended December 31, 2009 and 2010 were as follows:

	For the Years Ended December 31,		% Change
	2009	2010	2010 Over 2009
	(in thousands)		
CA	$33,778	$41,924	24.1%
BA	4,125	4,550	10.3%
Total	$37,903	$46,474	22.6%

Cost of service revenue increased for the year ended December 31, 2010 as compared with the year ended December 31, 2009 primarily due to the increase in service revenue as noted above.

The increase in cost of service revenue for the CA segment for the year ended December 31, 2010 as compared with the prior year was primarily due to an increase in the revenue share earned by our airline partners. The revenue share increase was driven primarily by the increase in CA service revenue during the period. CA cost of service revenue also increased due to increased network operations, billing and transactional related expenses due primarily to an increase in the number of Gogo Connectivity sessions.

The increase in cost of service revenue for the BA segment for the year ended December 31, 2010 as compared with the prior year was primarily due to the allocation of CA segment network costs to the BA segment. In July 2010 we began allocating a portion of the CA segment's network costs to the BA segment as BA customers' usage of the ATG network expanded beyond an immaterial amount as a result of an increase in the number of BA subscribers using our ATG network. Our satellite service fees also increased for the year ended December 31, 2010 as compared with the prior year as we had more subscribers using satellite services.

Cost of Equipment Revenue:

Cost of equipment revenue by segment and percent change for the years ended December 31, 2009 and 2010 were as follows:

	For the Years Ended December 31,		% Change
	2009	2010	2010 Over 2009
	(in thousands)		
CA	$1,403	$ 737	(47.5)%
BA	8,471	14,182	67.4%
Total	$9,874	$14,919	51.1%

Cost of equipment revenue increased for the year ended December 31, 2010 as compared with the prior year primarily due to the increase in BA's equipment revenue as noted above, partially offset by a decrease in the CA segment. The BA segment shipped 948 and 599 units for the years ended December 31, 2010 and 2009, respectively. The decline in the CA segment cost of equipment revenue was primarily due to the decline in equipment sales to our one airline partner under whose connectivity agreement we record equipment revenue as a result of the installations for that airline partner being substantially completed in 2009.

Engineering, Design and Development Expenses:

Engineering, design and development expenses decreased 12.2% to $19.2 million for the year ended December 31, 2010 as compared with $21.9 million for the prior year primarily due to a 22.8% decline in engineering, design and development expenses for the CA segment due to a decline in the number of STCs that were in process during 2010 as compared with 2009. The decline in the number of STCs in process was primarily due to the completion of STCs for the majority of aircraft types that require an STC during 2009. The decrease in the CA segment's engineering, design and development expenses was partially offset by a 43.6% increase in engineering, design and development spending in the BA segment primarily due to delayed, reduced and/or terminated engineering, design and development related activity during 2009 as a result of the global economic downturn, as well as increased expenses associated with two major projects developing next generation products that we began in 2010.

Sales and Marketing Expenses:

Sales and marketing expenses decreased 14.9% to $23.6 million for the year ended December 31, 2010 as compared with $27.8 million for the prior year primarily due to a 23.8% decrease in spending within the CA segment primarily due to the launch and other promotional activities associated with the start of our service offerings to numerous airline partners during 2009. Our first airline partnership commenced in the August 2008 and by the end of 2009 we had seven, as compared with nine by the end of 2010. As a result, 2009 included numerous launch and promotional activities as compared with 2010. The decrease in the CA segment's sales and marketing expenses was partially offset by a 24.3% increase in the BA segment's sales and marketing expenses primarily due to an increase in personnel related expenses, which includes sales commissions earned on equipment sales, to support sales growth within the BA segment. Personnel related expenses for the BA segment increased to $4.6 million for the year ended December 31, 2010 from $3.6 for the prior year. The increase within the BA segment was also attributable to delayed, reduced and/or terminated sales and marketing related activities during 2009 as a result of the global economic downturn.

General and Administrative Expenses:

General and administrative expenses increased 28.4% to $36.4 million for the year ended December 31, 2010, as compared with $28.3 million for the prior year primarily due to an increase in personnel related expenses, primarily bonus and stock option expense in both the CA and BA segments and an increase in

personnel expense within the CA segment due to headcount increases. The CA segment's general and administrative expenses for the year ended December 31, 2010 includes a loss on disposal of $2.4 million as we changed the scope of an internally developed software project that was in the application development stage. General and administrative expenses for the CA segment the years ended December 31, 2010 and 2009 also included legal and other expenses associated with the Ambit litigation in the amount of $4.2 million for the year ended December 31, 2010 as compared with $3.0 million for the prior year. Consolidated general and administrative expenses as a percentage of total consolidated revenue decreased to 38.4% for the year ended December 31, 2010, as compared with 76.9% for the prior year.

Depreciation and Amortization:

Depreciation and amortization expense increased 41.5% to $31.0 million for the year ended December 31, 2010 as compared with $21.9 million for the prior year primarily due to the increase in the number of aircraft outfitted with our equipment within the CA segment. As noted above, we had 1,056 and 692 aircraft online as of December 31, 2010 and 2009, respectively. Depreciation and amortization in the CA segment also increased due to the continued network build-out activities and continued development of our platform throughout the years ended December 31, 2010 and 2009.

Other (Income) Expense:

Other (income) expense and percent change for the years ended December 31, 2009 and 2010 were as follows:

	For the Years Ended December 31,		% Change
	2009	2010	2010 Over 2009
	(in thousands)		
Interest income	$ (214)	$ (98)	(54.2)%
Interest expense	30,067	37	(99.9)%
Fair value derivative adjustment	—	33,219	n/a
Loss on extinguishment of debt	1,577	—	n/a
Total	$31,430	$33,158	5.5%

Other expense activity for the year ended December 31, 2010 substantially related to activity associated with recording our derivative liabilities at fair value at each reporting date, while the substantial majority of other expense activity for the prior year related to interest expense and loss on extinguishment of debt. For the year ended December 31, 2010 we recorded $33.2 million of expense associated with fair value derivative adjustments. The expense recorded for the year ended December 31, 2010 primarily related to a reduction in our projections that occurred in mid-2010, based on an updated assessment of market conditions and the pace of market acceptance for the Gogo service, which resulted in a reduction of our estimated enterprise value. See Note 4, "Fair Value of Financial Assets and Liabilities," to our consolidated financial statements for additional discussion related to our derivative liabilities. Other than our capital leases, all of our outstanding debt was converted to convertible preferred stock as part of our corporate restructuring on December 31, 2009, and as a result we did not incur interest expense in 2010 associated with the debt that was converted to preferred stock. Additionally, as the preferred stock was not outstanding prior to December 31, 2009, we did not incur any derivative liability fair value adjustments for the year ended December 31, 2009. See Note 3, "Preferred Stock and Common Stock," to our consolidated financial statements for additional discussion on the corporate restructuring.

Additionally, for the second quarter of 2009, we extinguished a portion of our debt outstanding which included a write-off of a portion of our unamortized deferred financing fees, resulting in a loss on extinguishment of debt of $1.6 million. Other than our capital leases, all remaining debt was extinguished by December 31, 2009, as part of the corporate restructuring.

Income Taxes:

The income tax provision of $3.3 million for the year ended December 31, 2010 was primarily due to an out of period valuation allowance adjustment of $2.5 million that was recorded in the first quarter of 2010, but should have been recorded in 2009 upon our corporate restructuring, and which management believes did not have a material effect on the financial statements. We operated as a limited liability company treated as a partnership for U.S. federal income tax purposes prior to our conversion into a corporation on December 31, 2009 and prior periods were reported in the income tax returns of our members. As such, no provision for federal or state income taxes has been recorded in the accompanying consolidated financial statements as any tax expense for periods prior to our corporate restructuring on December 31, 2009 was considered immaterial.

The effective income tax rate for the year ended December 31, 2010 was (3.0)%. The difference between our effective tax rate as compared with the U.S. federal statutory rate of 34% for the year ended December 31, 2010, was primarily due to the recording of a valuation allowance against our net deferred tax assets and the effect of the fair value adjustments to our derivative liabilities, which are excluded from taxable income (loss).

Segment Profit (Loss):

CA's segment loss decreased 37.8% to $56.9 million for the year ended December 31, 2010, as compared with $91.4 million for the prior year. The decline in CA's segment loss was due to the significant increase in service revenue, and decreases in engineering, design and development and sales and marketing expenses, partially offset by increases in cost of service revenue and general and administrative expenses, as discussed above.

BA's segment profit increased 332.1% to $12.0 million for the year ended December 31, 2010, as compared with $2.8 million for the prior year. The increase in BA's segment profit was due to the significant increases in service and equipment revenue partially offset by increases in cost of equipment revenue, engineering, design and development, sales and marketing, and general and administrative expenses, as discussed above.

Quarterly Results of Operations Data

The following tables set forth our unaudited quarterly consolidated statements of operations data for each of the eight quarters in the two year period ended December 31, 2011. We have prepared the quarterly data on a basis that is consistent with the audited consolidated financial statements included in this prospectus. In the opinion of management, the financial information reflects all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data. This information is not a complete set of financial statements and should be read in conjunction with the audited consolidated financial statements and related notes included elsewhere in this prospectus. The results of historical periods are not necessarily indicative of the results of operations for a full year or any future period.

	For the Three Months Ended							
	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011
	(in thousands, except per share data)							
Consolidated Statement of Operations Data:								
Revenue:								
Service revenue	$ 8,867	$ 12,446	$ 14,243	$ 22,785	$ 22,000	$ 24,113	$ 26,810	$ 30,995
Equipment revenue	7,240	8,109	9,195	11,774	12,479	14,348	14,023	15,388
Total revenue	16,107	20,555	23,438	34,559	34,479	38,461	40,833	46,383
Total operating expenses	38,588	43,605	44,331	45,096	45,204	45,564	49,482	53,730
Operating loss	(22,481)	(23,050)	(20,893)	(10,537)	(10,725)	(7,103)	(8,649)	(7,347)
Other (income) expense:								
Interest expense	5	3	1	28	65	67	68	80
Fair value derivative adjustments	(3,389)	48,249	3,131	(14,772)	(354)	(33,899)	4,573	(29,060)
Interest income and other	(38)	(26)	(20)	(14)	21	(24)	(14)	(15)
Total other (income) expense	(3,422)	48,226	3,112	(14,758)	(268)	(33,856)	4,627	(28,995)
Income (loss) before income tax provision	(19,059)	(71,276)	(24,005)	4,221	(10,457)	26,753	(13,276)	21,648
Income tax provision	2,687	174	174	225	217	216	217	403
Net income (loss)	(21,746)	(71,450)	(24,179)	3,996	(10,674)	26,537	(13,493)	21,245
Class A and Class B senior convertible preferred stock return	(4,259)	(4,350)	(4,792)	(4,862)	(4,592)	(7,351)	(8,628)	(10,760)
Accretion of preferred stock	(1,976)	(1,998)	(2,252)	(2,275)	(2,571)	(2,513)	(2,535)	(2,562)
Net income (loss) attributable to common stock	$(27,981)	$ (77,798)	$(31,223)	$ (3,141)	$(17,837)	$ 16,673	$(24,656)	$ 7,923
Net income (loss) per share attributable to common stock:								
Basic	$(423.95)	$(1,178.76)	$(473.08)	$ (47.59)	$(270.26)	$ 26.98	$(373.58)	$ 12.19
Diluted	$(423.95)	$(1,178.76)	$(473.08)	$ (47.59)	$(270.26)	$ (11.76)	$(373.58)	$ (11.81)
Weighted average shares used in computing net income (loss) attributable to common stock:								
Basic	66	66	66	66	66	66	66	66
Diluted	66	66	66	66	66	626	66	662

	For the Three Months Ended							
	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011
Other Financial and Operational Data:								
Adjusted EBITDA (in thousands)	$ (15,509)	$ (14,465)	$ (12,763)	$ (2,141)	$ (2,520)	$ 1,241	$ (496)	$ 923
Key statistics:								
Commercial Aviation:								
Aircraft online at end of period	796	967	1,019	1,056	1,087	1,147	1,177	1,345
GPO (in thousands)	27,154	38,619	43,958	43,013	41,812	49,191	50,988	50,083
ARPP	$ 0.26	$ 0.27	$ 0.26	$ 0.45	$ 0.43	$ 0.39	$ 0.42	$ 0.50
Business Aviation:								
Aircraft online at end of period								
Satellite	4,382	4,447	4,481	4,553	4,673	4,647	4,601	4,733
ATG	102	156	230	318	432	614	744	860
Average monthly service revenue per aircraft online								
Satellite	$ 126	$ 127	$ 126	$ 128	$ 132	$ 131	$ 130	$ 132
ATG	644	1,318	1,662	1,799	1,892	1,802	1,778	1,747
Units shipped								
Satellite	146	155	123	150	140	163	156	159
ATG	58	69	100	147	140	166	159	148
Average equipment revenue per unit shipped (in thousands)								
Satellite	$ 33	$ 31	$ 34	$ 33	$ 40	$ 41	$ 39	$ 38
ATG	41	41	46	46	47	45	46	54

The following table presents a reconciliation of Adjusted EBITDA to net income (loss) attributable to common stock, the most comparable GAAP measure, for each of the eight quarters in the two year period ended December 31, 2011. Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) attributable to common stock prepared in accordance with GAAP. For the definition of, and additional information regarding, Adjusted EBITDA, see the discussion of Adjusted EBITDA in Note 7 to the tables under the heading “Summary Historical Consolidated Financial and Other Operating Data.”

	For the Three Months Ended							
	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011
Reconciliation of Adjusted EBITDA:	(in thousands)							
Net income (loss) attributable to common stock	$(27,981)	$(77,798)	$(31,223)	$ (3,141)	$(17,837)	$ 16,673	$(24,656)	$ 7,923
Interest expense	5	3	1	28	65	67	68	80
Interest income	(38)	(26)	(20)	(14)	(19)	(24)	(14)	(15)
Income tax provision	2,687	174	174	225	217	216	217	403
Depreciation and amortization	6,943	7,763	7,968	8,317	8,116	8,263	8,051	8,243
Fair value derivative adjustments	(3,389)	48,249	3,131	(14,772)	(354)	(33,899)	4,573	(29,060)
Class A and Class B senior convertible preferred stock return	4,259	4,350	4,792	4,862	4,592	7,351	8,628	10,760
Accretion of preferred stock	1,976	1,998	2,252	2,275	2,571	2,513	2,535	2,562
Stock-based compensation expense	40	919	341	314	403	399	451	542
Amortization of deferred airborne lease incentives	(11)	(97)	(179)	(235)	(274)	(318)	(349)	(515)
Adjusted EBITDA	$(15,509)	$(14,465)	$(12,763)	$ (2,141)	$ (2,520)	$ 1,241	$ (496)	$ 923

Liquidity and Capital Resources

Our overall financial condition improved over the last three years, as our operating and investing cash flows improved. The following table presents a summary of our cash flow activity for the periods set forth below:

	For the Years Ended December 31,		
	2009	2010	2011
		(in thousands)	
Net cash provided by (used in) operating activities	$ (88,556)	$ (42,293)	$ 9,931
Net cash used in investing activities	(74,687)	(37,674)	(41,376)
Net cash provided by financing activities	207,623	30,398	55,153
Net increase (decrease) in cash and cash equivalents	44,380	(49,569)	23,708
Cash and cash equivalents at the beginning of period	24,072	68,452	18,883
Cash and cash equivalents at the end of period	$ 68,452	$ 18,883	$ 42,591

We have historically financed our growth and cash needs primarily through the issuance of senior convertible preferred stock, convertible debt and common stock. In addition, from time to time, we financed our operating cash needs through credit facilities.

We believe that our near and long term liquidity needs will increase and that our sources of cash will be able to support our anticipated capital expenditures and upgrades of technology, as well as increased general and administrative costs in connection with our expansion. Despite experiencing operating losses for the years ended December 31, 2009, 2010 and 2011, we generated positive cash flow from operating activities for the year ended December 31, 2011. We currently believe that we will continue to generate positive cash flow from operating activities in the near term based on the recent and expected growth of revenues outpacing growing expenses, particularly in the CA segment, and increased certainty with respect to our ongoing sources of revenue, achieved through increasing numbers of aircraft online in both the CA and BA segments. Although we can provide no assurances, we currently believe that cash and cash equivalents on hand and anticipated cash generated from operating activities should be sufficient to meet our working capital and capital expenditure requirements for the next twelve months, including upgrading certain aircraft operated by our airline partners to our ATG-4 service. We currently expect to fund costs related to international expansion and certain costs associated with satellite or other technologies with net proceeds from this offering and, if necessary, cash generated through additional equity or debt offerings. While our ability to generate positive cash flows from operating activities and the timing of certain capital and other necessary expenditures are subject to numerous variables, such as the availability and costs associated with certain next-generation technologies, including ATG-4 and Ka-band and other satellite technology, and costs related to international expansion, we currently believe that increased cash generated from operating activities and, if necessary, additional equity or debt offerings, will be sufficient to meet our liquidity needs in the long-term, including our anticipated international expansion.

Our authorized capital consists of three classes of convertible preferred stock and one class of common stock. All classes of our preferred stock have voting rights proportionate to their ownership interest and participate in any dividends issued on the common stock. As of December 31, 2011 we had 14,126 shares of our Class A Preferred Stock outstanding, 22,488 shares of our Class B Senior Convertible Preferred Stock (the “Class B Preferred Stock”) outstanding, 19,070 shares of our Junior Preferred Stock outstanding and 66,000 shares of Common Stock outstanding. Upon the consummation of this offering, at our election, all of our outstanding convertible preferred stock will convert into common stock. Immediately prior to our corporate restructuring on December 31, 2009, we had a principal balance of $164.0 million of Senior Convertible Notes (the “Senior Convertible Notes”) and a principal balance of $237.8 million of Senior Subordinated Secured Convertible Promissory Notes (the “Bridge Notes”) outstanding. Additionally we had accrued and unpaid interest outstanding on December 31, 2009 associated with Senior Convertible Notes and Bridge notes of $26.7 million and $7.9 million, respectively. On December 31, 2009, in connection with our corporate restructuring, all of our

outstanding Senior Convertible Notes and Bridge Notes, including accrued and unpaid interest, converted into shares of our convertible preferred stock. See Note 3, “Preferred Stock and Common Stock,” to our consolidated financial statements for additional discussion of the corporate restructuring.

The table below illustrates the timing, the amount, and the type of financing we received from our investors:

Type of Financing	For the Years Ended December 31, 2009	2010	2011
		(in thousands)	
Bridge Notes	$207,794	$ —	$ —
Class A Senior Convertible Preferred Stock	36,322	28,500	55,386
Class A Units	—	—	—
Total	$244,116	$28,500	$55,386

Cash flows provided by (used in) Operating Activities:

The following table presents a summary of our cash flows from operating activities for the periods set forth below:

	For the Years Ended December 31, 2009	2010	2011
		(in thousands)	
Net income (loss)	$(142,266)	$(113,379)	$ 23,615
Non-cash charges and credits (including non-cash accrued interest)	51,558	72,409	(22,181)
Changes in operating assets and liabilities (excluding non-cash accrued interest)	2,152	(1,323)	8,497
Net cash provided by (used in) operating activities	$ (88,556)	$ (42,293)	$ 9,931

For the year ended December 31, 2011 operating cash flows improved $52.2 million as compared with the prior year. The improvement in operating cash flows was due to a $42.4 million improvement in net income (loss) adjusted for non-cash charges and credits and an $9.8 million increase in cash flows related to funding our operating assets and liabilities. The improvement to net income (loss) adjusted for non-cash charges and credits was primarily due to the significant increase in consolidated revenue, as noted in “—Results of Operations,” partially offset by an increase in cash related operating expenses. Cash operating expenses increased primarily within cost of service revenue and cost of equipment revenue as noted above in “—Results of Operations.” The increase in cash flows from changes in operating assets and liabilities was due primarily to an increase in deferred airborne lease incentives, as we installed more aircraft in 2011 as compared with 2010 pursuant to contracts under which our airline partners make an upfront payment for ATG equipment. Cash flows from changes in operating assets and liabilities also increased due to changes in accrued liabilities principally due to increases in accrued employee benefits and accounts payable principally due to the timing of vendor payments. These increases were partially offset by higher accounts receivable within the BA segment due to higher sales volume and in the CA segment due to the increase in equipment shipments pursuant to contracts under which our airline partners make an upfront payment for the ATG equipment. The BA segment’s inventory balance was also maintained at a higher level to support anticipated future sales growth.

We anticipate cash flows from changes in operating assets and liabilities to be positively impacted in 2012 by deferred airborne lease incentives that we estimate to fall within the range of $20 million to $25 million for the year ended December 31, 2012.

For the year ended December 31, 2010, operating cash flows improved $46.3 million as compared with the prior year. The improvement in operating cash flows was due to a $49.7 million improvement in net loss adjusted for non-cash charges and credits partially offset by a $3.5 million decline in cash flows related to funding our operating assets and liabilities. The improvement to net loss adjusted for non-cash charges and credits was primarily due to the significant increase in consolidated revenue as noted above in “—Results of Operations” partially offset by an increase in cash related operating expenses. Cash operating expenses increased primarily within cost of service revenue, cost of equipment revenue and general and administrative expenses, partially

offset by a decrease in sales and marketing expenses, as noted above in "—Results of Operations." The decrease in cash flows from changes in operating assets and liabilities was primarily due to a decrease in accounts payable and an increase in accounts receivable partially offset by an increase in deferred airborne lease incentives and a decrease in inventory. As noted above, the increase in our accounts receivable balance primarily related to one large receivable within the CA segment of $7.2 million at the end of 2010. Additionally, accounts receivable increased within the BA segment due to sales volume increases. The decrease in accounts payable was primarily due to the timing of payments as we extended vendor payment terms at the end of 2009 due to our limited cash position prior to new funding received on December 31, 2009. The increase in deferred airborne lease incentives was primarily due to equipment installations under contracts where we received an upfront payment commencing in 2010 that did not exist in prior years. The decrease in inventory was primarily due to the timing of the BA segment's inventory purchases leading to lower inventory balances.

Cash flows used in Investing Activities:

Cash used in investing activities is primarily for capital expenditures related to airborne equipment, cell site construction, software development, and data center upgrades. See "—Capital Expenditures" below.

Cash flows provided by Financing Activities:

Cash provided by financing activities for the year ended December 31, 2011, was $55.2 million primarily due to $55.4 million of proceeds from two issuances of Class A Preferred Stock totaling 5,539 shares to existing investors on terms consistent with our prior issuances of Class A Preferred Stock and $0.5 million from additional borrowings on our Alaska Facility (defined below).

Cash provided by financing activities for the year ended December 31, 2010 was $30.4 million primarily due to $28.5 million of proceeds from two issuances of Class A Preferred Stock totaling 2,850 shares to existing investors and $2.0 million from borrowings on our Alaska Facility.

Cash provided by financing activities for the year ended December 31, 2009 was $207.6 million primarily due to $207.8 million from the issuance of Bridge Notes and $36.3 million for the issuance of Class A Preferred Stock as part of our corporate restructuring on December 31, 2009. While most of the new financing for the year ended December 31, 2009 was from existing investors, new investors provided $25.0 million of the $36.3 million for the issuance of Class A Preferred Stock. This was partially offset by debt payments, capital lease payments and equity financing costs, of $36.5 million. All of our Senior Convertible Notes and Bridge Notes were converted into shares of senior convertible preferred stock in connection with the corporate restructuring.

Alaska Financing:

On November 2, 2010, we entered into a $4.1 million standby credit facility agreement (the "Alaska Facility") with Alaska Airlines, Inc. ("Alaska Airlines") to finance the construction of ATG network sites in Alaska. The Alaska Facility has a six-year term and an interest rate of 10% per annum, compounded and payable quarterly. As of December 31, 2011, we had $2.5 million outstanding under the Alaska Facility. At December 31, 2010 we had $2.0 million outstanding under the Alaska Facility. No further draws can be made under the Alaska Facility after November 12, 2011 and principal amounts outstanding on such date are payable in quarterly installments over a five-year period commencing on November 12, 2011, or can be prepaid at any time without premium or penalty at our option. The Alaska Facility is secured by a first-priority interest in our cell tower leases and other personal property located at the cell sites in Alaska.

The Alaska Facility contains representations and warranties, and affirmative and negative covenants customary for financings of this type. There are no financial covenants, however, other covenants include limitations on liens on the collateral assets as well as mergers, consolidations, and similar fundamental corporate events, and a requirement that we continue as the in-flight connectivity service provider to Alaska Airlines.

Pursuant to our in-flight connectivity agreement with Alaska Airlines, the share of service revenue ("revenue share") we pay Alaska Airlines increases as long as any amounts are outstanding under the Alaska Facility. Alaska Airlines revenue share increases by 500 basis points for the one-year period following the first date on which our Gogo service is used on the ATG network in Alaska, and 300 basis points thereafter, until the principal and all accrued interest is paid in full. This incremental Alaska Airlines' revenue share was an amount less than $0.1 million for each of the years ended December 31, 2010 and 2011 and is included in our consolidated statements of operations as part of our interest expense.

Letters of Credit:

We maintain several letters of credit totaling $0.6 million and $2.4 million as of December 31, 2011 and 2010, respectively. The letters of credit require us to maintain restricted cash accounts in a similar amount, and are issued for the benefit of the landlords at our office locations in Itasca, Illinois; Bensenville, Illinois; and Broomfield, Colorado; and for the benefit of certain vendors in the ordinary course of business.

Capital Expenditures

Our operations continue to require significant capital expenditures for technology, equipment, capacity expansion and upgrades. A substantial portion of the capital expenditures of the CA segment is associated with installation and the supply of airborne equipment to our airline partners, which correlates directly to the roll out of service to the airline fleets. Capital spending is also associated with the expansion of our ATG network and data centers. Our network capital expenditures, including site acquisition, design, permitting, network equipment and construction costs, support development of new cell sites and upgrades of current sites. Capital expenditures related to data centers primarily relate to our servers, IP routers and authentication, authorization and accounting functions. We also capitalize software development costs related to network technology solutions, the Gogo platform and new product/service offerings.

Capital expenditures for the years ended December 31, 2011 and 2010, were $43.1 million and $39.8 million, respectively. The increase in capital expenditures for the year ended December 31, 2011 as compared with the prior year was primarily due to an increase in network related investment activities and an increase in capitalized software as we enhanced our Gogo service and created new offerings. These increases were partially offset by a decline in the number of airborne equipment installations within the CA segment that resulted primarily from unanticipated delays in scheduling installations with our airline partners.

We anticipate an increase in spending in 2012 and estimate capital expenditures for the year ended December 31, 2012 to fall within the range of $80 million to $90 million as we further expand our network, increase the number of airborne equipment installations, continue software development initiatives, execute our international expansion strategy and upgrade certain aircraft operated by our airline partners to ATG-4.

Capital expenditures were $39.8 million for the year ended December 31, 2010, compared to $77.3 million for the year ended December 31, 2009. Capital expenditures for these years were primarily funded through financing activities. The decline in capital expenditures for the year ended December 31, 2010 as compared with the prior year was primarily due to a decline in the number of airborne equipment installations within our CA segment. The decline in airborne equipment installations was due to the fact that we commenced two additional airline partnerships during 2010 as compared with five in 2009. The decline in capital expenditures was also due to a decline in network related investment activities. Capitalized software expenditures remained relatively constant year over year.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations that require us to make future cash payments as of December 31, 2011. The future contractual requirements include payments required for our operating leases and contractual purchase agreements.

	Payment Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual Obligations					
Capital lease obligations	$ 370	$ 144	$ 225	$ 1	$ —
Operating lease obligations	48,809	9,613	11,317	6,958	20,921
Purchase obligations[1]	16,865	16,865	—	—	—
Alaska financing	2,520	504	1,008	1,008	—
Interest on Alaska financing	682	236	323	123	—
Deferred revenue arrangements	3,821	3,783	38	—	—
Deferred airborne lease incentives	22,299	2,502	5,003	5,003	9,791
Other long-term liabilities[2]	9,126	—	—	—	9,126
Total	$104,492	$33,647	$17,914	$13,093	$ 39,838

(1) As of December 31, 2011, our outstanding purchase obligations represented obligations to vendors to meet operational requirements as part of the normal course of business and related to information technology, research and development, sales and marketing and production related activities.

(2) Other long-term liabilities primarily consist of estimated payments (undiscounted) for our asset retirement obligations. Other long-term liabilities do not include $9.6 million related to our derivative liabilities and $4.1 million related to our deferred tax liabilities due to the uncertainty of their timing.

Contractual Commitments: We have an agreement with a third party under which the third party develops software that is used in providing in-flight connectivity services. Cash obligations under this agreement include the payment of $1.5 million on each of the first three anniversary dates of the final developmental milestone date in the agreement for a total of $4.5 million in milestone payments. As of December 31, 2011 all milestone payments had been made, with the final payment of $1.5 million being made in September 2011. On April 11, 2011, we entered into an additional contractual agreement under which the same third party will develop second generation software that will be used to support Gogo Connectivity. Cash obligations under this agreement include three milestone installment payments of $1.9 million each for total consideration of $5.6 million. We made the first milestone payment of $1.9 million in May 2011 and the second milestone payment of $1.9 million in January 2012. We anticipate making the remaining $1.9 million milestone payment in the third quarter of 2012.

In the CA segment, two airline contracts allow the airline to terminate the contract should the percentage of passengers using the Gogo service on the airline's flights not meet certain thresholds as defined in the contract. We currently experience connectivity take rates in excess of the thresholds specified in such contracts.

Leases and Cell Site Contracts: We have lease agreements relating to certain facilities and equipment, which are considered operating leases as per ASC 840-20, *Leases—Operating Leases* ("ASC 840-20"). Rent expense for such operating leases was $4.3 million, $4.6 million and $4.1 million for the years ended December 31, 2011, 2010 and 2009, respectively. Additionally, we have operating leases with wireless service providers for tower space and base station capacity on a volume usage basis ("cell site leases"), some of which provide for minimum annual payments. Our cell site leases generally provide for an initial noncancelable term of up to five years with up to four five-year renewal options. Total cell site rental expense was $5.5 million, $5.2 million and $4.4 million for the years ended December 31, 2011, 2010 and 2009, respectively.

The revenue share paid to the airlines represents an operating lease payment and is deemed to be contingent rental payments, as the payments due to each airline are based on a percentage of CA service revenue generated

from that airline's passengers, which is unknown until realized. As such, we cannot estimate the lease payments due to an airline at the commencement of our contract with such airline. Rental expense related to the arrangements with commercial airlines, included in cost of service revenue, is primarily comprised of these revenue share payments, offset by the amortization of the deferred airborne lease incentives discussed above, and totaled $8.5 million, $4.6 million and $0.9 million in 2011, 2010 and 2009, respectively.

Indemnifications and Guarantees: In accordance with Delaware law, we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under this indemnification is uncertain and may be unlimited, depending upon circumstances. However, our Directors' and Officers' insurance does provide coverage for certain of these losses.

In the ordinary course of business we may occasionally enter into agreements pursuant to which we may be obligated to pay for the failure of performance of others, such as the use of corporate credit cards issued to employees. Based on historical experience, we do not believe that any material loss related to such guarantees is likely.

We have entered into a number of agreements, including our agreements with commercial airlines, pursuant to which we indemnify the other party for losses and expenses suffered or incurred in connection with any patent, copyright, or trademark infringement or misappropriation claim asserted by a third party with respect to our equipment or services. The maximum potential amount of future payments we could be required to make under these indemnification agreements is uncertain and is typically not limited by the terms of the agreements.

Off-Balance Sheet Arrangements

We do not have any obligations that meet the definition of an off-balance sheet arrangement, other than operating leases, which have or are reasonably likely to have a material effect on our results of operations. See Note 15, "Leases," to our consolidated financial information contained elsewhere in this prospectus.

Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is currently confined to our cash and cash equivalents. We have not used derivative financial instruments for speculation or trading purposes. The primary objective of our investment activities is to preserve our capital for the purpose of funding operations while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash equivalents and short-term investments through a variety of securities, including commercial paper, certificates of deposit, money market funds and corporate debt securities. Our cash and cash equivalents as of December 31, 2011 and 2010 included amounts in bank checking account and liquid certificates of deposit with short term maturities. We believe that a change in average interest rates would not adversely affect our interest income and results of operations by a material amount.

The risk inherent in our market risk sensitive instruments and positions is the potential loss arising from interest rates as discussed below. The sensitivity analyses presented do not consider the effects that such adverse changes may have on the overall economic activity, nor do they consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Interest: Our earnings are affected by changes in interest rates due to the impact those changes have on interest income generated from our cash and cash equivalents. Our cash and cash equivalents as of December 31, 2011 included amounts in bank checking accounts and liquid certificates of deposit. As a result, we believe we have minimal interest rate risk; a 10% decrease in the average interest rate on our portfolio, would have reduced interest income for the years ended December 31, 2011 and 2010 by an immaterial amount.

Fixed Rate Debt: On December 31, 2011, we had $2.5 million aggregate principal amount of Alaska Financing which approximated fair value. If interest rates were 10% higher than the stated rate, the fair value of the Alaska Financing would have changed by an immaterial amount as of December 31, 2011.

Inflation: We do not believe that inflation has had a material effect on our results of operations. However, there can be no assurance that our business will not be affected by inflation in the future.

Seasonality: Our results of operations for any interim period are not necessarily indicative of those for any other interim period of for the entire year because the demand for air travel, including business travel, is subject to significant seasonal fluctuations. We generally expect overall passenger opportunity to be greater in the second and third quarters compared to the rest of the year with business travel decreasing during the summer months and holidays. We expect seasonality of the air transportation business to continue, which may affect our results of operations in any one period.

BUSINESS

Mission

Our mission is to make Gogo everyone's favorite part of flying.

We transform the in-cabin experience for airline passengers by delivering ground-breaking and branded in-flight internet connectivity and an array of digital entertainment solutions. We enable our commercial airline partners to differentiate their service offerings, increase customer satisfaction and unlock new revenue streams. We provide our media partners with access to an attractive and undistracted audience. We provide our business aviation customers with a full suite of in-flight internet connectivity and other voice and data communications products and services, allowing discerning private jet passengers the ability to stay connected in flight. Our goal is to enable the connected lifestyle of today's business and leisure travelers in the air.

Who We Are

Gogo is the world's leading provider of in-flight connectivity with the largest number of internet-connected aircraft in service, and a pioneer in wireless in-cabin digital entertainment solutions. Through our proprietary platform and dedicated air-to-ground, or ATG, network, and a variety of in-cabin offerings, we provide turnkey solutions that make it easy and convenient for passengers to extend their connected lifestyle to the aircraft cabin.

We operate our business through our two operating segments: commercial aviation, or CA, and business aviation, or BA.

Our CA business provides in-flight connectivity and digital entertainment solutions to commercial airline passengers through their personal Wi-Fi enabled devices. Through our Gogo platform, passengers can access an array of services including:

- *Gogo Connectivity*. Allows passengers to connect to the internet through various user-purchase options, including subscriptions, individual sessions and multiple session packages as well as third-party sponsored access.
- *Gogo Vision*. Offers passengers the ability to watch a broad selection of on-demand movies and television shows on a pay-per-view basis.
- *Gogo Signature Services*. Includes a variety of entertainment and informational content and services customized for each airline, such as destination-based event ticketing, e-commerce, flight tracker and access to travel sites and weather.

We provide Gogo Connectivity to passengers on nine of the ten North American airlines that provide internet connectivity to their passengers. We provide Gogo Connectivity to passengers on Delta Air Lines, American Airlines, US Airways, Alaska Airlines, Virgin America, Frontier Airlines, and AirTran Airways pursuant to long-term agreements with these airlines. We also provide Gogo Connectivity to passengers on a small number of aircraft operated by United Airlines and Air Canada pursuant to trial agreements. As of December 31, 2011, we had 1,345 commercial aircraft online, representing approximately 87% of internet-enabled North American commercial aircraft at such date, which were operated on nearly 4,500 daily flights on average in the fourth quarter of 2011. From the inception of our service in August 2008 to December 31, 2011, passengers used Gogo Connectivity over 18 million times. From January 1, 2012 through February 29, 2012, we added an additional 129 aircraft online. As of March 15, 2012, we have signed contracts with our airline partners to install Gogo on approximately 500 additional aircraft, and we currently expect to complete substantially all of those installations by the end of 2013. Gogo-equipped planes representing approximately 43% of our consolidated revenue for the year ended December 31, 2011 are contracted under ten-year agreements, the earliest of which expires in 2018.

Our BA business sells equipment and provides services for in-flight internet connectivity and other voice and data communications under our Gogo Biz and Aircell branded products and services. BA's customers include original equipment manufacturers of private jet aircraft such as Gulfstream, Cessna, Hawker Beechcraft,

Bombardier, Dassault and Embraer, leading aftermarket dealers and all of the largest fractional jet operators including NetJets, Flexjets, Flight Options and CitationAir. We sell equipment for three of the primary connectivity network options in the business aviation market: Gogo Biz, which delivers broadband internet connectivity over our ATG network, and the Iridium and Inmarsat SwiftBroadband satellite networks. As of December 31, 2011, we had 860 Gogo Biz systems in operation and 4,733 aircraft with Iridium satellite communications systems in operation, and we have sold more than 100 Inmarsat SwiftBroadband systems. Our Gogo Biz offering is the only ATG broadband connectivity service available in the business aviation market and we are the largest reseller of Iridium satellite services to the business aviation market.

We provide in-flight broadband connectivity across the contiguous United States and portions of Alaska via 3 MHz of FCC-licensed ATG spectrum and our proprietary network of cell sites. We believe that the reliability of Gogo's in-flight connectivity is unmatched. Our customized airborne network allows us to actively manage data traffic in order to maintain the speed and quality of the Gogo service through sophisticated bandwidth management. We are implementing a technology roadmap that will allow us to significantly increase our network capacity utilizing a combination of the best available and developing technologies, including the next generation of ATG, or ATG-4, and Ka-band and other satellite-based solutions.

Our CA business generates revenue primarily from fees paid for Gogo Connectivity and from products and services available through Gogo Vision and Gogo Signature Services. We generate Gogo Connectivity related revenue from purchases by airline passengers of individual sessions, monthly renewable and annual subscriptions and multiple session packages, as well as from fees paid by third parties who sponsor free or discounted access to Gogo Connectivity to passengers in exchange for a promotional presence on our in-air website. We generate Gogo Vision related revenue from fees paid by passengers for access to content on Gogo Vision, a service that we launched in August 2011 and October 2011 on aircraft operated by American Airlines and Delta Air Lines, respectively, and which we have agreed to launch on US Airways. We generate Gogo Signature Services related revenue from advertising fees and e-commerce revenue share arrangements. Our BA business generates revenue from the sale of satellite and ATG equipment and from subscriptions for in-flight internet connectivity and other voice and data communications services.

We have grown significantly since the launch of Gogo Connectivity in August 2008. We increased the number of commercial aircraft online from 30 to 1,345 between December 31, 2008 and December 31, 2011, and the aggregate number of passengers on flights with Gogo Connectivity, or our gross passenger opportunity, increased from approximately 624,000 in 2008 to approximately 192 million in 2011. From January 1, 2006 through December 31, 2011, our BA business has sold approximately 6,300 ATG and satellite-based communications systems for private aircraft and signed agreements with all of the largest fractional jet operators. Our consolidated revenue increased 69.2% from $94.7 million in 2010 to $160.2 million in 2011 and over the same period our net loss decreased from $113.4 million to net income of $23.6 million, our consolidated Adjusted EBITDA increased from $(44.9) million to $(0.9) million and consolidated net loss attributable to common stock decreased from $(140.1) million to $(17.9) million.

We Are Enabling the Connected Lifestyle In-Cabin

Given widespread availability and use of Wi-Fi enabled devices, connectivity is an integral part of peoples' daily lives. Passengers on commercial and business aircraft are increasingly seeking to remain connected in flight. Airlines are under pressure to remain competitive and must attract passengers by improving services while simultaneously reducing costs. We believe the intersection of these trends creates a meaningful opportunity for Gogo.

Large, Underserved Air Travel Market

In 2010, there were approximately 2.7 billion scheduled passengers on commercial aircraft worldwide, including approximately 630 million in the U.S., and according to International Air Transport Association, or IATA, the number of passengers worldwide is expected to grow to nearly 3 billion by 2012. Commercial airline

passengers are typically categorized as either business travelers or leisure travelers. Business travel currently represents approximately 23% of air travel, with business travelers historically flying approximately 5.4 times per year. Business travelers earn on average 50% more than the average family household based on 2010 U.S. census data, making them an attractive demographic to both our airline partners and media partners. In addition, over the past 20 years, leisure travel has become more accessible and cost effective, resulting in approximately 1.5 billion leisure trips taken in 2010. With only approximately 16% of commercial aircraft in the North American market and approximately 6% in the global market equipped to provide connectivity to passengers in 2010, we believe there is significant opportunity for us to continue to expand into this underserved market.

In 2011, according to JetNet, the business jet market was comprised of approximately 18,500 business jets worldwide, with nearly 12,000 business jets in North America. By the end of 2015, the number of business aircraft is projected to grow to nearly 21,000 aircraft worldwide according to JetNet, with nearly 13,000 in North America. With only a minority of North American business jets equipped with broadband internet access, we believe that the potential for expansion of our Gogo Biz service in the North American market is significant. We further believe that the projected increase in business jets internationally represents a significant opportunity for us to grow our satellite-based equipment and services in the international market.

Emergence of the Connected Lifestyle

The proliferation of mobile devices and the wide availability of terrestrial Wi-Fi and mobile broadband services have led consumers to expect connectivity wherever they may be. According to eMarketer, in 2011 approximately 74% of the U.S. population were internet users. The number of U.S. mobile internet users grew 30% between 2008 and 2010, and global mobile data traffic has grown at an annual rate of over 140% over the last three years. The growth of portable Wi-Fi enabled devices is expected to continue, with projected compound annual growth rates, or CAGRs, of smartphone, laptop and tablet users of 24%, 17% and 50%, respectively, between 2011 and 2016. We believe that both business and leisure travelers are committed to maintaining their connected lifestyles when flying and that passengers are increasingly willing to pay for in-flight connectivity and entertainment.

The need for mobile connectivity among business professionals to access corporate email and VPNs has increased significantly. According to an online survey conducted by Forrester Research, Inc., approximately 88% of U.S. business travelers owned a laptop or notebook in 2010, and approximately three-quarters of all senior executives surveyed for a report published by Forbes and Google in 2009 said that internet access is a very valuable information resource, ranking above contacts at work, outside work contacts, outside advisors and consultants, other media, and personal networks. In addition, according to a survey conducted by Egencia in 2011, 48% of business travelers were willing to pay for in-flight Wi-Fi over other amenities such as extra leg room and avoiding the middle seat.

Leisure travelers are also looking for ways to stay connected and on-line at all times. According to Forrester Research, Inc., in 2010, approximately 79% of U.S. leisure travelers owned a laptop or notebook. Demand for the connected lifestyle is driven in part by the proliferation of new social and commercial internet applications. Social networking applications such as Facebook are experiencing rapid increases in usage. The number of active Facebook members grew to 845 million as of December 2011, and in 2011, over $160 billion was spent through retail e-commerce channels in the U.S.

Commercial Aviation Industry Focused on New Revenue Sources, Cost Management and Passenger Experience

In the competitive airline industry, airlines are being forced to balance various, and at times contradictory, market dynamics. The growth of low-cost carriers has created a more competitive environment for airlines. Airline expenses, such as fuel costs, are rapidly increasing and airlines have generally been unable to increase ticket prices enough to generate revenues sufficient to offset these increasing expenses. According to IATA,

system-wide global commercial airline expenses were $525 billion in 2010 and are expected to increase to $620 billion in 2012, a CAGR of 8.7%. Fuel costs alone are expected to grow from $139 billion in 2010 to $201 billion in 2012. To address the need for increased revenue and to offset growing expenses, airlines are increasingly asking passengers to pay for formerly complimentary services such as in-flight entertainment offerings and meals. Passenger revenue from sources other than passenger ticketing, including paid amenities, represented 29% of total airline passenger revenue in 2011 compared with 16% in 2000.

We believe that it is imperative for airlines to compete more effectively for airline passengers and to differentiate their in-cabin experience, which is a driving force behind the deployment of next generation in-flight entertainment systems that leverage the Wi-Fi enabled devices that passengers now routinely carry on board. By offering cost-effective in-flight connectivity and entertainment solutions that passengers can access through such devices, we provide our airline partners with new revenue streams and a way to attract passengers by enhancing the in-cabin experience, which we believe gives us with a significant opportunity to grow our business.

The Gogo Advantage

We believe the following strengths provide us competitive advantages in realizing the potential of our opportunity.

Compelling User Experience

The Gogo service helps the airline create a compelling in-cabin experience for its passengers. According to a 2011 Gogo customer satisfaction survey of 5,090 Gogo customers and 624 randomly selected air travelers at Hartsfield-Jackson Atlanta International Airport, 17% of our users have specifically changed their flight plans to be on a flight with in-flight internet. In addition, according to a 2011 Gogo-commissioned survey conducted by Murphy Research of 968 Gogo customers and 805 randomly selected travelers who had flown at least four times in the past twelve months and owned a portable Wi-Fi device, 78% of our users are likely to recommend Gogo Connectivity to others and 33% of our users have indicated that they are likely to switch airlines to be on a Gogo-equipped flight. We believe that enthusiastic support for the Gogo service is driven by:

- Gogo's nationwide coverage, which provides users with reliable, in-flight broadband internet connectivity;
- access to Gogo Vision, including on-demand movies and television shows;
- access to Gogo Signature Services, such as e-commerce and destination-based information;
- our easy-to-use, intuitive interface, which allows users to enjoy an enhanced in-cabin experience using the Gogo service;
- our 24-hour customer support, including the only live chat service offered by a North American in-flight connectivity provider, which is available even while in-flight; and
- a variety of pricing alternatives that permit users to utilize Gogo Connectivity in a way that fits their needs.

Leading Brand

For Gogo, market leadership means establishing a must-have brand for which passengers are willing to pay a premium, becoming an invaluable part of our airline partners' in-flight offerings, and operating an exclusive platform where leading brands are willing to pay a premium to maintain a presence. We believe that Gogo has strong brand equity in the marketplace, with nearly 80% of Gogo users indicating they would use Gogo again on their next flight according to the Gogo-commissioned survey described above. Gogo is continually redefining and transforming the category and, in doing so, becoming increasingly associated with in-flight connectivity with

our customers. According to the same Gogo-commissioned survey, 27% of leisure travelers and 54% of business travelers are aware of Gogo, and more than 80% of Gogo users have indicated that their travel experience was made more satisfying because of Gogo. This survey also indicates that Gogo has 18 times the top of mind unaided awareness as our nearest competitor. Within the realm of social media, a recent analysis of Facebook by aggregator Fan Page List ranked Gogo as first for having the most engaged fans.

Compelling Offering for Airlines

Our services allow our airline partners to delight their passengers with a co-branded in-flight experience that can be customized for each airline. Through the Gogo platform, we make Gogo Connectivity, Gogo Vision and Gogo Signature Services available to our airline partners' passengers, who represent an attractive consumer demographic. Through these services, which are co-branded with our airline partners, we provide access to connectivity, entertainment and a suite of engaging products and services including e-commerce and destination-based information. We believe that by making these services available on a co-branded basis, an airline can enhance its brand appeal, increase customer loyalty and earn additional revenue. Among Gogo users, 17% have specifically changed their flight plans to be on a plane with internet access, according to an internal Gogo study.

From equipment, to installation, to customer service, to billing, we provide turnkey solutions to our airline partners, saving them time and money. Our in-flight connectivity and entertainment systems, which can be installed on any commercial aircraft, are the lowest weight among competitive offerings, reducing drag and incremental fuel consumption. Our expert teams can generally provide overnight equipment installations limiting the amount of time an aircraft is out of service. We believe we are the only provider of in-flight broadband internet connectivity that can cost-effectively equip an airline's entire North American fleet. Our ATG equipment and installation is less expensive, can be installed overnight so that an aircraft does not have to be taken out of service and has less weight and drag as compared with the satellite equipment used by our competitors and, as such, it is more economical to put on smaller aircraft such as regional jets. This unique ability enables our airline partners to provide a seamless experience to passengers throughout their itinerary. Through our chat service, we can help passengers get and stay connected in-flight without waiting until they get back to the ground, reducing the time airline personnel spend assisting passengers and obviating the need to provide their own back office support for our service.

Strong Incumbent Position

We are the world's leading provider of in-flight connectivity to the commercial aviation market with the largest number of internet connected aircraft in service, and a leading provider of in-flight internet connectivity and other voice and data communications equipment and services to the business aviation market. We believe that our technological and operational know-how, evidenced by over 6,600 business and commercial aircraft online, the creation of our ATG network, and the development of our robust customer and supplier relationships represent significant assets not easily replicated.

Currently, North America represents at least 75% of the worldwide commercial aircraft in-flight internet connectivity market, and we provide Gogo Connectivity to passengers on nine of the ten North American airlines that provide internet connectivity to their passengers, including Delta Air Lines and American Airlines. As of December 31, 2011, Gogo-equipped planes represented approximately 87% of North American commercial aircraft that provide internet connectivity to their passengers. Further, approximately 96% of Gogo-equipped planes, representing approximately 43% of our consolidated revenue for the year ended December 31, 2011, are contracted under ten-year agreements.

We believe our market position is strengthened by our ability to cost-effectively equip an airline's entire North American fleet and our industry-leading customer care. Our market-leading position also benefits from the exclusive nature of a number of our contracts and the significant expense and inefficiencies that an airline would incur by switching to another provider, including the capital investment required, the lost service time associated with re-equipping an aircraft for a different in-flight connectivity service and the additional weight and drag of

non-ATG equipment. Our FCC spectrum license combined with our proprietary network make us the only connectivity provider capable of providing ATG-based broadband internet connectivity in the United States. We believe that our nationwide ATG network, customized network management processes and other proprietary intellectual property would take significant time and capital to replicate.

In our BA business, we have nearly two decades of experience in the business aviation market, and we sell equipment for three of the primary network options, Gogo Biz, Iridium and Inmarsat SwiftBroadband, to all of the largest OEMs of business aircraft and leading aftermarket dealers. In the business aviation market, we sell Gogo Biz and Iridium services to owners and operators of private aircraft, we are the only provider of ATG broadband internet connectivity, via Gogo Biz, and we are the largest reseller of Iridium satellite services. As of December 31, 2011, we had 4,733 aircraft with Iridium satellite communications systems and 860 Gogo Biz systems in operation, We had 4,003 aircraft operating in North America as of December 31, 2011, which represented approximately 34% of business aircraft in North America. Our existing relationships with satellite providers, including our recently announced memorandum of understanding with Inmarsat, also represent significant opportunities for the growth of our satellite-based equipment and services in the global business aviation market. In 2010, NetJets announced that it would add Gogo Biz to more than 250 aircraft in its fleet, which we believe was the largest single order of in-flight connectivity systems in business aviation history. In addition to NetJets, we have agreements to provide Gogo Biz to all of the other largest fractional jet fleets.

Efficient, Reliable and Expandable Proprietary Technology

We believe Gogo has the most cost-efficient and scalable network providing in-flight connectivity and entertainment to passengers. Our current network provides in-flight connectivity at a high level of both speed and reliability. We monitor every node of our network from the ground to the cabin. We actively manage data traffic through sophisticated bandwidth management to maintain the speed and quality of the Gogo service. Our technology approach and architecture provide us with the flexibility to utilize the best currently available and future available technologies to serve our customers now and going forward. We believe our lightweight and compact equipment make us the only internet connectivity provider capable of equipping an airline's entire North American fleet, including regional jets, with in-flight broadband internet connectivity on a cost-effective basis. In addition, our technology approach and architecture will facilitate our transition to the next-generation ATG-4 and the planned execution of our technology roadmap to Ka-band and other satellite-based solutions, which will expand our network capacity in the United States and facilitate our planned future international expansion.

Growth Strategy

Our mission is to make Gogo everyone's favorite part of flying, and we intend to execute the following strategies:

Expand Commercial Aircraft Footprint

We are focused on making our services accessible to more passengers on more commercial flights. To expand our footprint, we intend to:

- *Continue Deploying the Gogo Service on Our Airline Partners' Fleets*. As of March 15, 2012, we had approximately 500 additional aircraft contracted to be installed on fleets of our existing airline partners, and we currently expect to complete substantially all of these installations by the end of 2013.
- *Target Full-Fleet Availability of the Gogo Service*. We plan to leverage our unique ability to cost-effectively equip each commercial aircraft type in an airline's fleet to increase the number of Gogo-equipped aircraft, targeting full-fleet availability of the Gogo service for all of our airline partners.
- *Enter Into New Airline Partnerships*. By offering co-branded customized Gogo services, we demonstrate to potential airline partners that we can help them create a point of differentiation from, and gain a potential competitive advantage over, other airlines.

Drive Consumer Adoption and Monetization

We are focused on improving and expanding our consumer reach by increasing product offerings available on the Gogo platform to drive Gogo adoption and usage. To this end, we will continue to:

- *Promote Our Brand and Services and Target New Users*. We intend to increase brand loyalty and further penetrate our core demographics by increasing our branded offerings and our targeted marketing efforts. We intend to encourage new user adoption by offering sponsored access promotions through which media partners will subsidize user access costs to the Gogo service in exchange for advertising opportunities. Additionally, in order to appeal to a broader spectrum of travelers, we intend to tailor our pricing and access options for various devices (including smartphones and tablets), flight durations and session durations, to address a wider range of consumer preferences.
- *Grow Sales Through Existing and New Distribution Channels*. We plan to continue to grow sales through our existing channels, which are predominately direct-to-consumer and through our airline partners. We also plan to develop new distribution channels and methods, including, for example, offering corporations the ability to purchase access to Gogo products for the benefit of their employees, offering our service for purchase through promotion in airport lounges and continuing to expand our offerings into existing ticket-purchasing paths. For example, we recently completed the integration of a Gogo purchase option into the online ticket purchase path of one of our airline partners.
- *Offer Compelling Content*. We are working to make our Gogo Vision product widely available on Gogo-equipped fleets and to increase the number of on-demand movies and television shows and the variety of other content available through Gogo Vision and the Gogo platform generally.
- *Expand E-Commerce Opportunities and Destination-Specific Offerings*. We are creating a robust suite of services that allow passengers to take advantage of in-flight shopping opportunities not available anywhere else and destination-specific offerings developed with our content and advertising partners.
- *Leverage Full Fleet Deployment.* We are working to provide passengers with predictable availability and a seamless connectivity experience as we pursue full-fleet deployment of the Gogo service which we believe will encourage new user adoption and generate additional subscriptions.

Innovate and Evolve Our Technology

We will continue to innovate and evolve our technology platform to support capacity demands, facilitate the roll-out of new service offerings, expand internationally and improve the performance and reliability of our existing offering. We will continue to:

- *Execute Our Technology Roadmap*. We plan to roll out our next generation ATG-4 network and Ka-band and other satellite-based technology, which are designed to increase network capacity and bandwidth and to provide the foundation for our international growth.
- *Maintain Technical Flexibility*. We intend to retain technological network flexibility to facilitate the efficient and cost-effective development and further deployment of our network and to allow us to employ new and innovative technologies across both our own ATG network and third party satellite networks using either Ka-band or other satellite-based solutions.
- *Collaborate with Airlines*. We will continue to work with our airline partners to ensure the development of the services and technical applications they believe will most effectively help them achieve their goals.
- *Continue Rapid Installs*. We plan to enhance our ability to rapidly upgrade our installed equipment and software through our strategically located installation teams or, with respect to software, remotely, with minimal disruption to our partners and customers.

Grow Business Aviation

We are focused on growing sales of our in-flight internet connectivity and other voice and data communications products and services and leveraging our established market position and relationships with OEMs, aftermarket dealers and fractional jet fleet owners to take advantage of the significant growth opportunities that we believe exist in the business aviation market. To grow our BA business, we intend to:

- *Increase Penetration of Gogo Biz*. We plan to capitalize on growing awareness of in-flight broadband internet availability in all segments of the North American business aviation market, the superior performance and lower cost of the Gogo Biz system compared to other broadband systems and private jet passengers' commitment to remaining connected to increase sales of ATG equipment and the Gogo Biz service.
- *Offer Additional Revenue-Generating Services Over our ATG Network*. We are developing new service offerings that we believe will help increase adoption rates and penetration of Gogo Biz and increase service revenue, including high-quality voice services over our ATG network.
- *Develop New and Innovative Equipment and Services*. To meet the evolving demands of our customers, we will continue to develop new and innovative equipment offerings, including in-flight streaming video, moving maps and the Aircell Smartphone, which we expect to be the first smartphone developed for the aeronautical market.
- *Provide Superior Customer Care*. By giving our customers the ability to choose from a full suite of in-cabin digital solutions, wrapped in award-winning customer service, we intend to remain a leader in our market.

Expand Internationally

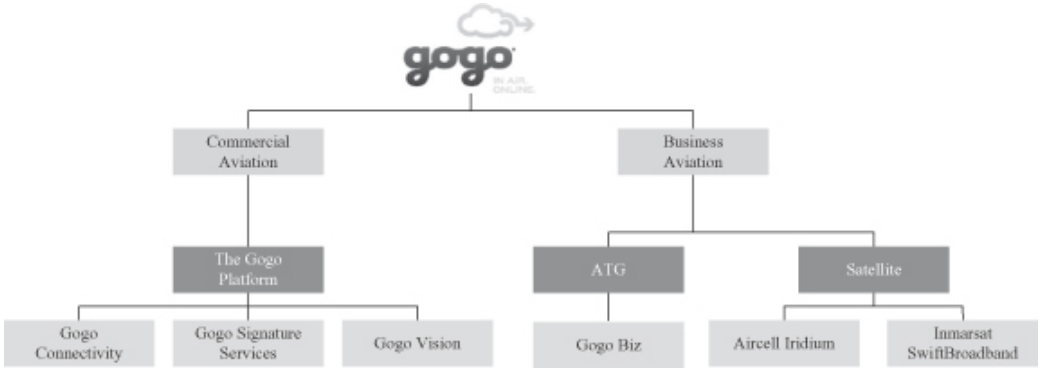
We believe we are well positioned to capitalize on the large transoceanic and international in-flight opportunity given our strong commercial aviation partnerships and flexible technology. We believe Gogo's existing domestic relationships, which represent each of the major global airline alliances, will favorably position us to partner with members of these alliances outside North America. In addition, we believe that the strength of our platform offering and proven track record in North America will position us favorably to partner with airlines outside these alliances. On November 29, 2011, we announced the signing of a memorandum of understanding with Inmarsat S.A., a leading provider of global mobile satellite communications services, pursuant to which we would be one of two providers of Inmarsat's Global Xpress satellite service to the commercial airline market. Assuming that we enter into a definitive agreement with Inmarsat, we expect that we will be able to offer commercial airlines a connectivity solution on certain international routes after the launch of the first Inmarsat-5 satellite, which is currently scheduled for mid-2013. We intend to initially focus on the international fleets of our existing airline partners and the narrow body fleets of other international airlines. Additionally, under the expected terms of our partnership with Inmarsat, our BA segment will also become a reseller of Inmarsat SwiftBroadband satellite service.

Gogo Service and Product Offerings

We have organized our business to effectively serve our three customer groups by providing:

- commercial airline passengers with engaging, branded in-flight connectivity and digital entertainment solutions;
- media partners with access to an attractive and undistracted audience; and
- BA customers with in-flight internet connectivity, other voice and data communications products and services, and a full suite of equipment offerings.

The following chart illustrates our operating structure, including an overview of our current primary equipment and service offerings.



Providing Engaging Experiences for Commercial Airline Passengers

Through our Gogo platform, we provide passengers with a convenient and easy way to access the internet, view video content, send and receive email and instant messages, and access corporate VPNs on Gogo-equipped commercial aircraft. We provide high-speed internet access through Gogo Connectivity, on-demand streaming video offerings through Gogo Vision and access to a variety of free entertainment and service offerings, customized for each airline, through Gogo Signature Services. Passengers with a Wi-Fi enabled device are able to access our system once their aircraft reaches 10,000 feet.

Connecting to our service is quick and easy. To enjoy the Gogo in-cabin experience, a passenger first must enable Wi-Fi connectivity on his or her own device. Once so enabled and connected to the Gogo Wi-Fi network, the passenger's internet browser is automatically re-routed to the Gogo in-air home page where he or she can access certain of our free Gogo Signature Services. From the in-air homepage, with nothing more than an email address and credit card, the passenger can register and pay for in-flight connectivity through Gogo Connectivity or purchase individual on-demand movies and television programs through Gogo Vision. The Gogo service is compatible with a broad range of Wi-Fi enabled devices, including tablets, laptops, notebooks, smart phones and readers. The following table summarizes our current Gogo Connectivity retail offerings and representative prices.

Retail Gogo Connectivity Offering	Description	Sample Pricing
Quick Pass	15 minutes of in-flight connectivity (only offered on flights under 650 miles in length.	$1.95
Segment Pass	In-flight connectivity for the entire time the aircraft is above 10,000 feet on one flight. Pricing varies by length of flight.	$4.95-$14.95
Day Pass	In-flight connectivity on any airline for all flights taken within a 24 hour period.	$12.95
Traveler Pass	Single airline monthly subscription with automatic renewal each month.	$34.95
Gogo Unlimited	Monthly subscription across all airlines with automatic renewal each month.	$39.95
Annual Pass	Annual subscription for in-flight connectivity across all airlines.	$399.95

Gogo Connectivity can also be made available to passengers who do not pay us directly through a number of non-retail channels, including:

- *Sponsored Access*. Through the sponsorship channel, our advertising partners provide passengers with connectivity access for free or at reduced prices through paid promotional sponsorships.

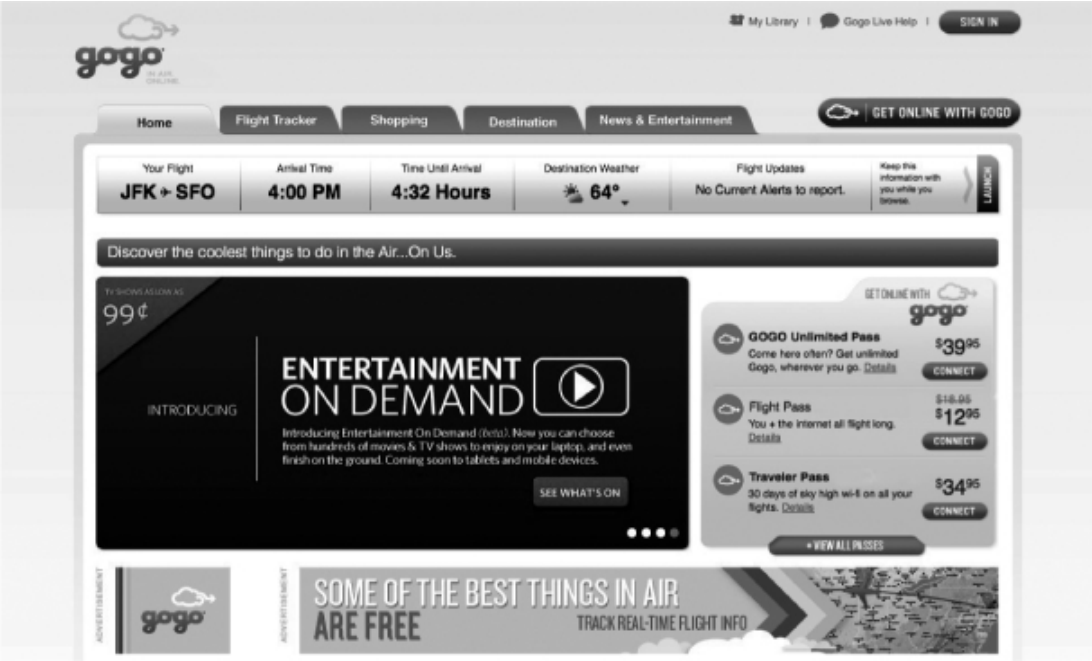
- *Enterprise Sales*. Through the enterprise channel, we sell Gogo Connectivity services to customers of travel management companies by linking our purchase path to their online booking sites.
- *Roaming Partners*. Through the roaming channel, ground-based Wi-Fi internet providers purchase connectivity access from us to resell to their customers directly.
- *Wholesale Purchases*. Through the wholesale channel, we sell connectivity access at wholesale to companies who in turn make the service available through customer loyalty programs or as incentives for their direct customers.

The following table summarizes the other offerings available to airline passengers through the Gogo Platform, Gogo Vision and Gogo Signature Services:

Service	User Experience	Sample Pricing
Gogo Vision	• Onboard on-demand streaming video • Broad array of movies and TV shows	• TV Episode: $0.99-$2.99 • Movie: $3.99-$5.99
Gogo Signature Services	• Access to a number of free entertainment and informational services and products • Includes travel sites, flight tracker, destination-based information and event ticketing, weather information and e-commerce	• Free to the user; we generate revenue through placement fees, affiliate fees, revenue sharing arrangements and cost-per-click among others

We obtain the content we offer on Gogo Vision through license agreements or other arrangements with content providers, such as movie or television studios, under which we obtain a license to distribute such content in exchange for a license fee.

The image below shows an example of our in-air homepage, when accessed by an airline passenger:



Offering Media Partners Access to an Attractive Audience

Airline passengers who fly on Gogo-equipped aircraft represent an attractive audience for our media partners. As consumers spend increasing amounts of time and money online, advertisers have increasingly turned to the internet to market their products and services. Through Gogo Signature Services, we provide our media partners with direct and cost-effective access to an attractive, targeted, and undistracted audience. We believe that our media partners can leverage this access to earn an effective return on investment by offering services, delivering messages and selling products to these passengers. We have the capability to offer an array of partnering solutions, including:

Media Partner Solutions	Feature	Examples	Gogo Recognizes Revenue
Traditional or Integrated Marketing	• Enables partners to reach targeted audiences via splash page / pop-up banners • Non-traditional campaigns, including sweepstakes, retail, and online occasion-focused promotions	• T-Mobile • Ford • Hewlett Packard • MSN • Wall Street Journal	Over the period of time in which the advertiser pays for marketing campaign
Usage Sponsorships	• Sponsored Gogo Connectivity access • Premium direct advertisements on platform	• American Express • Google • Visa • Coke	Over the period of time in which the sponsor pays us for connectivity on either a usage basis or a campaign wide basis
E-Commerce	• Full or limited access for users to third party e-commerce sites • High value audience	• Gilt • StubHub • Hotel Tonight • OpenTable • Amazon • eBay	Over the period of time in which the platform partners pay for placement on our Gogo platform; additional revenue share is earned on transactions made through our Gogo platform

Providing a Full Range of In-flight Equipment and Services to our Business Aviation Customers

We are a leading provider of equipment for in-flight telecommunications and provider of in-flight internet connectivity and other voice and data communications products and services to the business aviation market. Most in-flight connectivity systems sold in the business aviation industry today operate over one of three networks: Iridium, Inmarsat, or Gogo Biz. Our BA business is the only provider of business aviation equipment for all three of these network options to its customers. As of December 31, 2011, we had 860 Gogo Biz systems in operation and 4,733 aircraft with Iridium satellite communication systems in operation, and we have sold more than 100 Inmarsat SwiftBroadband systems. Our customer base includes most segments of the business aviation market (turbine aircraft, fixed and rotary wing), and today our products are offered by all major OEMs as either standard or optional equipment on most of their aircraft.

Our ATG equipment, through which we provide our Gogo Biz service, is small and lightweight enough to install on almost every aircraft type offered today. We provide our Gogo Biz broadband service over our ATG network, and we plan to launch Gogo Biz Voice, our voice over internet protocol service, as an add-on to Gogo

Biz starting in 2012. We are the largest provider of aeronautical Iridium services with 4,733 aircraft online as of December 31, 2011. We are an official Iridium equipment manufacturer and reseller of Iridium satellite services. Currently we sell Inmarsat-based equipment and have executed a memorandum of understanding with Inmarsat pursuant to which we expect to enter into an agreement to become a reseller of Inmarsat satellite service in 2012.

Business Aviation Service Offerings

Gogo Biz - Mobile Broadband Network		Aircell Iridium Satellite Services	
Product Plan	Monthly Service Fee	Product Plan	Monthly Service Fee
Gogo Biz 40	$395 (40MB)	Bronze Service	$69.95 (20 minutes)
Gogo Biz 100	$895 (100MB)	Silver Service	$119.95 (60 minutes)
Gogo Biz Unlimited	$1,995 (Unlimited usage)	Gold Service	$219.95 (120 minutes)
		Platinum Service	$519.95 (360 minutes)
		Corporate Service	$999.95 (1,000 minutes)

We are also in the process of expanding our business aviation product offerings by adding the Aircell Smartphone to our product offerings in 2012. The Aircell Smartphone will mark the first smartphone developed specifically for the aeronautical market, allowing passengers to make and receive calls over our ATG network or Inmarsat SwiftBroadband connections. The Aircell Smartphone will utilize the Android OS operating system and feature a 3.7 inch touch screen, a 3.5mm headset jack, Bluetooth connectivity and various pre-loaded applications. Additionally, the Aircell Smartphone will incorporate numerous technologies to attain the highest audio quality available in the market, including toll-quality digital audio, packet loss concealment, noise-canceling microphones, active noise-cancellation speakers via digital signal processing and adaptive voice processing algorithms. The Aircell Smartphone prototypes have been developed and are being tested and refined, with production units currently expected late in 2012.

A list of our hardware products along with associated pricing can be seen in the following table.

ATG		Satellite Offerings		Next Generation[1]
Gogo Biz	$58,200-$92,000	Aircell Iridium SatCom	$24,200-$48,300	Aircell Smartphone
		Inmarsat SwiftBroadband	$61,500-$97,500	Gogo Biz Voice

(1) Price to be determined upon commercial launch.

Gogo Customers

Commercial airline passengers increasingly look to stay connected, with today's airline passenger spending approximately 6.2 hours on average per day online, according to a Gogo-commissioned survey, relative to the general population which spends approximately 4.0 hours online on average per day. The rapid proliferation of Wi-Fi enabled smartphones, laptops, tablets and other mobile devices has led to an expectation of always available connectivity among a significant portion of airline passengers today. An online survey conducted by Forrester Research, Inc. indicates that 88% of business travelers own a laptop or notebook, and in-flight internet usage is expected to increase rapidly over the next five years according to In-Stat, from approximately 15.6 million North American sessions in 2011 to 96.9 million by 2015. Additionally, as passengers experience high fares and crowded planes, they increasingly seek ways to enhance the travel experience.

In 2011, we commissioned Directive Analytics to conduct an online survey of commercial air travelers to better understand the market characteristics of and potential interest in and uses for in-flight internet connectivity. The survey consisted of 1,500 Gogo customers and 1,500 randomly selected travelers who had flown at least once in the previous twelve months, had engaged in at least one specified online activity in the previous seven days and brought specified Wi-Fi devices on board flights. The randomly selected traveler population was further subdivided into three groups based on responses to a variety of questions, including travel

frequency, career goals and potential in-flight internet uses. We believe the key characteristics of the travelers identified in this survey, as set forth in the table below, suggest a strong potential for growth of the Gogo service among varied passenger types.

	Connected Business Travelers	Connected Leisure Travelers	Selective Connectors	Average Gogo Customer	Average Traveler
Description	Desire connectivity to be productive when traveling; Career focused; Most engaged with internet; Love technology	Internet is primary source of entertainment; Focused on work/life balance; Like entertainment variety	Have basic internet needs; Most likely to enjoy flying; Enjoy the “me time”; Family focused	Average Gogo User	Average U.S. Traveler (flew at least once in previous year)
Segment Size	44%	41%	15%	n/a	n/a
Average Domestic Business Flights / Year	4.2	1.1	3.9	16.6	2.9
Average Domestic Leisure Flights / Year	3.1	2.4	3.3	4.2	2.8
Average Hours Online per Day	7.2	5.6	5.2	7.2	6.2
Top 3 Online Uses	Personal email; Work email; News & Weather	Personal email; News & weather; Social networking	Personal email; News & weather; Work email	Personal email; News & weather; Social networking	Personal email; News & weather; Social networking & Work email (tie)

Source: Gogo-commissioned survey.

By providing both user-paid in-flight connectivity and entertainment as well as subsidized access to certain content, we offer commercial airline passengers the option to take advantage of our services based on their own needs and agenda. Whether it is the connected business traveler who has a Gogo Unlimited subscription, the connected leisure traveler taking advantage of a single segment pass to keep up with email and social networking or the selective connector using Gogo Vision to purchase a movie and browsing the free destination-based information and other services offered by Gogo Signature Services, Gogo’s diverse offerings and pricing packages appeal to all types of air travelers.

In our BA segment, our products are offered as standard or optional equipment by all major business aircraft OEMs. Approximately 16% of the BA segment’s revenue for the year ended December 31, 2011 was generated through our agreement with Gulfstream, and Gulfstream, Cessna and Bombardier together accounted for approximately 35% of the BA segment’s revenue in the same period. Our contracts with business aircraft OEMs, including Cessna, Gulfstream and Bombardier, are terminable at will by either party and outline the terms and conditions for the purchase and installation of our equipment, but do not require any minimum quantity of our equipment to be purchased.

In the BA segment, our service contracts are typically with the owners and operators of business aircraft and are generally for an initial term of twelve-months, with automatically renewing twelve-month terms subject to certain termination provisions.

Airline Partners and Contracts

In our CA business we enter into connectivity agreements with our airline partners that allow our ATG equipment to be installed, and the Gogo service provided, on aircraft operated by our partners. Under these agreements, the airlines commit to have our equipment installed on some or all of the aircraft they operate in our network area, and we commit to provide Gogo Connectivity on such aircraft and to remit to the airlines a specified percentage of the service revenue that we generate. We have the exclusive right to provide passenger internet connectivity services on Gogo installed aircraft throughout the term of the agreement in contracts with

airline partners from which we derive a substantial majority of our CA revenue. Our contracts with our airline partners generally have 10-year terms, with the exception of one three-year contract and two pilot agreements under which we have installed our equipment and provide Gogo service on a limited number of aircraft for a limited term.

Depending on the contract, installation, maintenance and deinstallation services may be performed by us and/or the airline. The agreements also vary as to who pays for installation, maintenance and deinstallation of the equipment.

The connectivity agreements require that Gogo and the airline engage in independent and joint marketing efforts intended to increase awareness and usage of the Gogo services. As of March 15, 2012, under three of the agreements, the scope of the services provided by Gogo has been expanded to include Gogo Vision, our new on-demand video product, and we are discussing with our other airline partners the possibility of providing Gogo Vision on their installed fleets. Other services provided by Gogo under certain agreements include content filtering and airline operational applications such as electronic flight bag and voice services on the flight deck.

Revenue from passengers using the Gogo service while flying on aircraft operated by Delta Air Lines accounted for approximately 24% of our consolidated revenue for the year ended December 31, 2011. Our contract with Delta expires, with respect to each of the mainline and regional jet installed fleets of aircraft, on the 10-year anniversary of specified installation milestones. The mainline fleet expiration date will occur in 2019, and the installation trigger date for the regional jet fleet occurred in February 2012. Revenue from passengers using the Gogo service while flying on aircraft operated by American Airlines accounted for approximately 10% of our consolidated revenue for the year ended December 31, 2011. Our contract with American Airlines expires, with respect to each installed fleet of aircraft, on the 10-year anniversary of the date on which 90% of such fleet has been installed with our ATG equipment, with the first expiration date occurring in 2018. No other contract accounted for more than 10% of our consolidated revenue for the year ended December 31, 2011. If our contract with Delta or American were to be terminated for any reason, it would have a material adverse effect on our CA segment.

On November 29, 2011, American Airlines filed for reorganization under Chapter 11 of the United States Bankruptcy Code. Under the Bankruptcy Code, American Airlines may reject or attempt to renegotiate its connectivity agreement with us. While American Airlines has announced that it will continue to operate its business and fly normal flight schedules, there can be no assurance that the filing will not have an adverse affect on our revenue or results of operations in the short- or long-term. See “Risk Factors—Risks Related to our CA Business—The recent bankruptcy filing of American Airlines could have a material adverse affect on our revenue and results of operations.”

Marketing and Strategic Relationships

Commercial Aviation

We believe that continued investment in marketing and strategic relationships is important in making Gogo a global, enduring consumer brand that is synonymous with in-flight connectivity and entertainment. Since 2008, we have built up our sales, marketing and product organization to 56 full time employees. Our marketing efforts and strategic relationships are focused on three primary goals:

- to become every passenger’s favorite part of flying;
- to help airlines deliver a customizable platform that offers exceptional services to their passengers; and
- to collaborate with our media partners to bring Gogo users the most powerful media platform “not on earth”.

Passengers

Our passenger marketing efforts aim to position Gogo as an essential part of air travel that grants users access to exclusive in-flight experiences, connecting them to life at home, at work and at play. The three primary

objectives of our passenger marketing are customer acquisition, customer retention and brand awareness. Our primary method to achieve all three objectives is partnering with airlines to promote the Gogo service. We work with our airline partners to market our service using a variety of approaches including integration into the ticket purchase path, product bundling, leveraging airline sales forces and point of sale brand placement.

To promote our brand, we also employ additional marketing channels. Our direct to consumer channel employs a number of broad-reach strategies including television advertising, social media and flexible pricing levels. Additional channels that we utilize to attract and retain customers include affiliations with travel management companies, sales to enterprise customers and wholesale purchases.

Airlines

Our goals in marketing to airlines are to increase the number of installed aircraft with our current airline partners and to establish relationships with new airline partners. We aim to be viewed by airlines as a critical partner in enhancing their passengers' in-cabin experiences. We believe the best strategy to increase the number of installed aircraft with our current partners is to provide high-quality, reliable service and equipment that can give our partners a competitive differentiator and increase their ancillary revenue streams. To increase the number of airlines on which the Gogo service is available, our airline sales team actively communicates with airlines who are not currently our partners and we regularly respond to requests for proposal for in-flight entertainment and in-flight connectivity.

Media Partners

To continue to grow our business and enrich the services offered to our users, we enter into strategic relationships with content providers, e-commerce platforms and advertisers. As we expand Gogo Vision and Gogo Signature Services, our strategic relationships with content providers and e-commerce merchants will allow us to offer exclusive access, offers and services on our in-air website. The strength of our brand and our access to a high-value and highly targetable group of travelers make us an attractive promotion and advertising partner to advertisers, which also raises awareness of the Gogo brand.

Business Aviation

Our BA business focuses its marketing efforts on OEMs and after-market dealers as well as the fractional jet and charter markets. We have a distribution network of more than 150 independent certified dealers that serve locations in the U.S., Europe, Africa, South America and Asia. These include Gulfstream, Bombardier, Cessna and Duncan Aviation in the U.S., Avionics Services in South America, Navicom in Japan, and DAC International in Europe, Asia and Africa. In addition to working with our existing dealers, we actively participate in industry trade shows and advertise in both industry-specific publications and publications that appeal to our target market more generally.

Customer Care

We recognize that it is important for passengers to have access to customer care in-flight before and after the registration process rather than relying on flight attendants for assistance. Gogo customer care is available to provide real-time support and customer service to passengers in-flight and customers on the ground 24 hours a day, 365 days a year. Our care contact center provides support for passengers, consumers, enterprise customers and airlines via real-time chat or email. We are currently the only North American in-flight connectivity provider with real-time live chat customer care capabilities. Our service is provided by customer care agents located in our Itasca, Illinois facility and a third-party provider located in Colorado.

One of the most important drivers of business in our BA segment is our ability to provide superior customer service to both our dealers and end-users. In addition to employees in our Broomfield, Colorado, facility, we

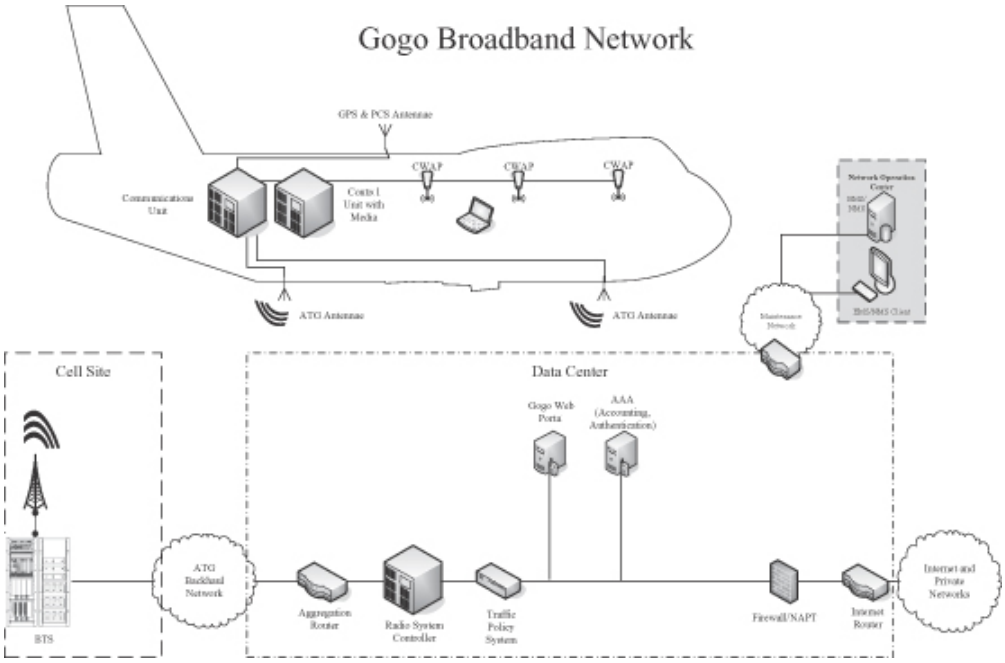
support our dealers and customers with offsite OEM account managers, regional sales managers for product support, and support staff in the U.S. and Europe. In 2011, our BA business was the #1 Cabin Electronics Manufacturer as awarded by Aviation International News. By partnering with business aviation management companies in the fractional jet market, including NetJets, we are able to both serve our current fractional jet customers and showcase our best in class equipment and customer service to potential future customers.

Technology Infrastructure

Gogo's proprietary network and technology platform, consisting of both hardware and software in the aircraft and on the ground, have been designed and developed to create highly compelling user experiences and enable future domestic and international Gogo service and product growth, while managing the bandwidth, data and regulatory constraints associated with in-flight media and content delivery. Over nearly two decades, we have developed sophisticated custom software and hardware that optimizes the air-to-ground communications link and traffic through the ability to monitor end-to-end network performance from the ground. Most of the airborne unit's hardware and software were custom-designed and developed based on our requirements and specifications. Our ground network hardware contains certain custom-developed base station components and its software consists of many custom-designed components, including traffic compression and optimization tools, base stations and base station controller software, portal and associated back-end systems, which were designed and developed based on our requirements and specifications.

Our network and systems architecture is designed to be technology-neutral so that it has the flexibility to evolve with best of breed technologies and employ new technological innovations across our own ATG network as well as third party satellite networks using either Ka-band or other satellite-based solutions to further improve the quality, speed and reliability of the products and services we provide to our users and partners.

The key components of our domestic broadband technology platform are described below:



Our Air-to-Ground (ATG) Network

We hold an exclusive spectrum license that allows us to be the sole provider of in-flight broadband services in the United States based on a direct aircraft to ground link using spectrum reserved for ATG services. After winning the FCC auction for the broadband (3 MHz) portion of the ATG spectrum in 2006, we staffed our Gogo broadband services organization in Itasca, Illinois and started deployment of the network.

Our domestic broadband network is based on a direct link to the aircraft from cell site towers located on the ground, which are similar to a terrestrial cellular network. ATG antennas, radios and associated equipment located at our cell sites communicate with and provide continuous coverage to aircraft at 10,000 feet or above in the contiguous U.S. and parts of Alaska. Each cell site is typically divided into six sectors for additional coverage and capacity. As an aircraft travels across the U.S., it is automatically switched, and a hand-off is made, to the sector or cell site with the clearest signal.

Currently, we use the EvDO Rev A (Evolution-Data Only), the current CDMA-based 3G protocol, to transmit information over our 3 MHz of spectrum. The EvDO protocol uses asymmetric communications, allocating more bandwidth for downloads than for uploads. This technology offers peak data rates of 3.1 Mbps on the ground-to-air direction, per sector, and 1.8 Mbps on the air-to-ground direction, per sector.

Today, our ATG network consists of 135 cell sites (780 sectors) located throughout the U.S. We expect to build additional cell sites in each of the next several years to maintain efficient delivery of our growing mobile broadband services.

These sites are connected to our data centers, which are in turn connected to the internet. This connectivity is provided by a state-of-the-art Multi-protocol Label Switching IP-based virtual private network and a flexible and scalable IP-based infrastructure. As of February 29, 2012, 28 of our sites were located on mountain tops or other locations where the public switched telephone network (PSTN) cannot be directly accessed. In those instances, we employ microwave equipment and services (generally from third parties) to link to the nearest point of presence of our backhaul network carrier.

Our Ground Network (Data Center and NOC)

Our primary data center has been operational since early 2008, with redundant telecommunications connections to the internet. The data center consists of networked routers, switches, servers and firewall security devices. The data center also contains the servers associated with hosting our in-flight and ground portals and the network nodes that enable the rich set of features offered through the Gogo platform. In 2011, we established a second data center that will allow us to use it as a backup to continue to provide our service without interruption should the first data center be unavailable for any reason.

The NOC (Network Operations Center), located in our Itasca, Illinois facility, serves as the central location that monitors daily network operation, conducts network diagnostics and coordinates responses to any performance issues on the ground or in the air. The NOC provides 24 hours a day, 365 days a year management and surveillance of network performance and activities through the use of network management and reporting systems that interface with all network elements and have the ability to track the progress and status of all Gogo-equipped aircraft in-flight.

Our Airborne Network

Onboard the aircraft, data is distributed through the local Wi-Fi network that is created by our installed airborne system. Our airborne system was designed to be light, modular and easy to install, maintain and repair. Each ATG system for commercial aircraft weighs approximately 125 pounds (of which the majority is cabling that varies from aircraft to aircraft), and consists of custom developed and modified equipment. We leverage standard technology and components in our system where available and design our system by selecting,

assembling and packaging components that can withstand temperature, pressure and vibration on aircraft in-flight. Prior to installation on any aircraft, we must obtain, for all of our airborne components, an FAA-issued STC for each aircraft type on which our components are installed.

Our customized airborne network allows us to actively manage data traffic in order to mitigate capacity constraints through sophisticated bandwidth management, including by placing cached content directly on the airborne network, which increases the speed and quality of our Gogo service.

Our Business Aviation Satellite Technology

We also have significant experience with satellite-based technology as it served as the foundation for our business aviation voice and data services. Our Iridium-based systems are supported by a network of 66 satellites in low-earth orbit. In addition, we offer SwiftBroadband satellite-based high-speed data communications equipment, which is supported by three geostationary (Inmarsat I-4) satellites in orbit approximately 22,000 miles above the earth. We believe our knowledge of satellite technology serves as an advantage as we continue to innovate and adopt new technologies such as Ka-band satellite technology.

Our Technology Roadmap

In March 2011, we unveiled an expanded technology roadmap that includes, in addition to our current ATG technology, plans to utilize a next generation version of ATG (ATG-4) as well as Ka-band satellite technology that will enable us to improve our service and expand our coverage territory while increasing our network capacity. ATG-4 can offer peak speeds of up to 9.8 Mbps to an aircraft. This improvement will be achieved through three major improvements to our current ATG network—migration to EvDO Rev B from Rev A, use of dual modems and directional (higher gain) antenna on aircraft with ATG-4. We expect ATG-4 to be available for production installation in 2012. Beyond ATG-4, in addition to further improvements to the ATG link, we plan to use Ka-band and other satellite technology on aircraft in order to provide additional capacity to supplement our ATG-4 capacity.

We believe that our flexible technology will allow us to implement the roadmap for each of our airline partners on a timeline that is consistent with the airline's desires, our capacity needs and the configuration of the airline's fleet. We currently expect to roll out our ATG-4 service during the second half of 2012 with certain of our airline partners. We also expect to generally recommend to our airline partners that certain mainline aircraft be upgraded from ATG to ATG-4 and that ATG be retained on other mainline aircraft as well as regional jets. We are contractually obligated, under certain of our contracts with airline partners, to bear costs of upgrading certain aircraft from ATG to ATG-4, which we estimate will be in the range of $35 million to $65 million, depending on the number of aircraft that are ultimately upgraded. We currently expect the significant majority of these costs will arise after 2012. When our Ka-band or other satellite technology becomes commercially available, we expect to recommend that such technology be installed on certain mainline aircraft with significant capacity needs. We expect to offer new domestic airline partners a combination of technologies based upon the composition of their fleets and the status of our roadmap at the time of installation. As noted above, we intend to continue to make further improvements to our ATG network in conjunction with our development of new technologies.

We currently anticipate that the upgrade from ATG to ATG-4 will require the replacement of certain airborne equipment, the addition of other airborne equipment and the upgrading of equipment for the base stations used at our cell sites. We also currently anticipate that the upgrade from ATG or ATG-4 to satellite will require the addition of certain airborne equipment. All of these upgrades will require related software updates.

For aircraft serving transoceanic and international routes, the next generation of Ka-band or other satellite technology is expected to offer a significant per gigabyte cost advantage and capacity improvements over current alternatives for providing broadband connectivity. We expect that Gogo's airborne network combined with its sophisticated bandwidth management capabilities and feature-rich Gogo platform will be readily compatible with Ka-band and other satellite technology and/or any other new air-to-ground technology, offering customers a unified user experience on international routes.

Manufacturing, Installation and Maintenance

We have two manufacturing and assembly facilities and have fostered manufacturing, installation and maintenance relationships to provide quality service in our product offerings. Our approach has been to take proven ground technologies and adapt them to work on aircraft.

Our CA and BA manufacturing activities take place at FAA-certified manufacturing and production facilities in Bensenville, Illinois and Broomfield, Colorado respectively. The facilities are FAA-certificated repair stations and are operating in accordance with FAA-issued ratings, their FAA-approved quality control systems, and the Federal Aviation Regulations. The repair stations' authorized activities include receiving, inspection, equipment and system testing, kitting, inspection and completion of regulatory and shipping documentation. Our manufacturing operations are also responsible for participating in FAA conformity inspections, obtaining Parts Manufacturing Authority, or PMA, where required by the FAA and providing approval tags for all shipped equipment.

The Bensenville facility is fully operational and complete for equipment and system testing and is capable of testing 25 systems simultaneously. The plant has a current capacity of up to 200 shipsets per month, and we can expand its capacity to support an increase in aircraft installations. Shipsets include all of the necessary parts and equipment to be installed on one aircraft.

The Broomfield facility is fully operational and complete for equipment and system testing and is capable of testing all the various systems the BA segment manufactures. Approximately eight ATG and eight satellite systems can be tested in a single shift in a day. The plant has a current capacity of up to 300 shipsets per month on a single shift. More can be assembled with multiple shifts. Shipsets include all of the necessary parts and equipment to be installed on one aircraft.

We work with our airline partners and third-party vendors to install and maintain our equipment. Some of our airline partners choose to use their own mechanics to provide installation and maintenance services, in which case we provide training and on-site installation support and logistics. Other airlines look to us for these services as all of our installation and maintenance vendors meet the certification requirements established by the airlines. We are generally able to install our equipment in an overnight shift or, if circumstances require, in two overnight shifts with the aircraft able to return to service during the day.

Our supply chain function works closely with our airline program managers and relies on their installation forecasts to determine expected demand for equipment and to obtain engineering specifications and drawings for distribution to vendors. Contractual requirements and lead times are taken into account in ordering equipment and components.

Competition

Commercial Aviation:

We are a leading provider of in-flight connectivity and digital entertainment solutions. With 1,345 commercial aircraft online as of December 31, 2011, we maintain a strong competitive position in terms of installed aircraft and contracted airline partners. Within our North American market, we provide Gogo Connectivity to passengers on aircraft operated by nine of the ten North American airlines with internet connectivity and Gogo-equipped planes represented approximately 87% of internet-enabled North American commercial aircraft as of December 31, 2011.

Our key competitors include Panasonic Avionics, Row 44, OnAir, LiveTV and Thales, all of which provide different technologies and strategies to provide in-flight connectivity or entertainment. We believe the key differentiating factors between competitors operating in our industry include: ATG or satellite based in-flight internet access, other in-flight entertainment offerings, such as live television and traditional hard-wired in-flight

entertainment systems, the ability to cost-effectively provide offerings across an entire North American fleet, including regional jets, as well as the current or expected ability to provide services in both North America and internationally.

In-flight broadband remains a nascent market and we believe that new competitors and technologies will emerge as the industry continues to evolve. We believe our existing relationships with airlines, flexible technology platform and brand awareness with travelers will enable us to maintain and extend our dominant market share domestically and expand internationally.

Business Aviation:

We are a market leader in providing in-flight internet connectivity and other voice and data communications products and services to the business aviation market. As of December 31, 2011, we had 4,733 aircraft with Iridium satellite communications systems and 860 Gogo Biz Systems in operation. We installed an additional 89 aircraft with Iridium satellite communications systems and an additional 103 Gogo Biz systems by February 29, 2012. We had 4,003 aircraft operating in North America as of December 31, 2011, which represented approximately 34% of the North American business aircraft industry. Our well-positioned brand, Aircell, has been a market leader for over a decade and is recognized by the industry as a provider of reliable and efficient equipment and services.

We compete against both equipment and telecommunications service providers to the business aviation market, including International Communications Group and True North Avionics for Iridium based business and Rockwell Collins, Honeywell and Cobham for Inmarsat Swiftbroadband hardware business.

As more private jet travelers demand connectivity, we believe that our strong working relationships with OEMs and business aircraft dealers will provide us with a first-mover advantage to offer products and services on new aircraft in the future. In addition, we have established a technology-neutral platform that enables us to offer broadband services across various technologies globally.

Licenses and Regulation

Federal Aviation Administration

The civil aviation manufacturing and repair industries are highly regulated in the United States by the FAA to ensure that civil aviation manufactured products and repair services meet stringent safety and performance standards. The FAA prescribes standards and certification requirements for the manufacturing of aircraft and aircraft components, and certifies and rates repair stations to perform aircraft maintenance, preventive maintenance, and alterations, including the installation and maintenance of aircraft components. Each type of aircraft operated in the United States under an FAA-issued standard airworthiness certificate must possess an FAA Type Certificate, which constitutes approval of the design of the aircraft type based on applicable airworthiness standards. When a party other than the holder of the Type Certificate develops a major modification to an aircraft already type-certificated, that party must obtain an FAA-issued STC approving the design of the modified aircraft type. We regularly obtain an STC for each aircraft type operated by each airline partner on whose aircraft our equipment will be installed and separate STCs typically are required for different configurations of the same aircraft type, such as when they are configured differently for different airlines. We anticipate the need to obtain additional STCs so that we can expand the services we provide and the airline partners we serve, and believe we will be able to obtain such certificates as the need arises.

After obtaining an STC, a manufacturer desiring to manufacture components to be used in the modification covered by the STC must apply for a Parts Manufacturing Authority, or PMA, from the FAA, or a supplement to an existing PMA, which permits the holder to manufacture and sell components manufactured in conformity with the PMA and its approved design and data package. In general, each initial PMA is an approval of a manufacturing or modification facility’s production quality control system. Each PMA supplement authorizes the manufacture of a particular part in accordance with the requirements of the pertinent PMA, including its production quality control system. We routinely apply for and receive such PMAs.

In order for us to perform maintenance, preventive maintenance, or alteration on the aircraft, our repair facilities must be certified by the FAA as an FAA-authorized repair station and rated by the FAA to do the relevant work. We currently have two FAA-certificated repair stations. We also employ FAA-certified professionals.

Certain of our FCC licenses are also dependent upon our ability to obtain from the FAA a "No Hazard Determination" for our cell sites that a proposed structure will not, if built as specified, create a hazard to air navigation. When proposing to build or alter certain of our cell sites we may be required to obtain a "No Hazard Determination" before we can obtain required FCC licensing.

Our business depends on our continuing access to, or use of, these FAA certifications, authorizations and other approvals, and our employment of, or access to, FAA-certified individual engineering and other professionals.

In accordance with these certification, authorizations and other approvals, the FAA requires that we maintain, review and document our quality assurance processes. The FAA also visits the facility in question to ensure that the physical elements are consistent with the documentation. In addition, we are responsible for informing the FAA of significant changes to our organization and operations, product failures or defects, and any changes to our operational facilities or FAA-approved quality control systems. Other FAA requirements include training procedures and drug and alcohol screening for safety-sensitive employees working at our facilities.

Federal Communications Commission

Under the Communications Act of 1934, as amended (the "Communications Act") the FCC licenses the spectrum that we use and regulates the construction, operation, acquisition and sale of our wireless operations. The Communications Act and FCC rules also require the FCC's prior approval of the assignment or transfer of control of an FCC license, or the acquisition, directly or indirectly, of more than 25% of the equity or voting control of Gogo by non-U.S. individuals or entities. See "Description of Capital Stock—Limited Ownership by Foreign Entities." The FCC has established several regulatory frameworks that apply to services that use licensed spectrum and to providers of these and other communications services. The services provided by our BA and CA segments are subject to different FCC regulatory frameworks.

Our BA business provides voice and data services by reselling the telecommunications services of a satellite operator. As such, we are regulated as a provider of commercial mobile radio services, which the FCC classifies as telecommunications services. Because we provide these telecommunications services on a common carrier basis, we are subject to the provisions of Title II of the Communications Act. These provisions require, among other things, that the charges and practices of common carriers be just, reasonable and non-discriminatory, and that the service be made available on stated terms and conditions to any person upon request. The FCC does not, however, set or regulate specific rates for commercial mobile radio services, such as our BA satellite-based service. States are legally preempted from regulating such rates or entry into the market, although they may regulate other terms and conditions of service. In addition, our BA division plans to launch a VoIP service. The FCC applies many, but not all, of the same regulatory requirements to VoIP service as it does to telecommunications services.

We provide broadband internet access to commercial airlines and passengers as Gogo Connectivity and to our Business Aviation customers as Gogo Biz. We offer this service through our own facilities, using a nationwide Commercial Air-Ground Radiotelephone license that operates in the 800 MHz band (the "ATG license"). We obtained and paid for this spectrum through an auction conducted by the FCC. See "–ATG License Terms and Conditions." Our ATG license is the only FCC license that we hold that is material to our business.

In accordance with a decision of the U.S. Supreme Court and FCC orders, mobile wireless broadband internet access services, including Gogo Connectivity, are classified as information services, and not as a commercial mobile (or telecommunications) service. Therefore, Gogo Connectivity is not subject to FCC

common carrier regulation, although other regulations do apply. For example, the FCC's recent net neutrality regulations (which are currently being challenged in Federal court) require broadband internet access providers to provide detailed customer disclosures regarding network management practices, performance levels and commercial terms of the service. Moreover, under these regulations, providers may not block consumers from accessing lawful websites, subject to reasonable network management, and once our Business Aviation division launches its VoIP service, it will be prohibited from blocking competing VoIP services. The FCC has not yet provided adequate guidance to determine if our current network management practices would be deemed "reasonable" if challenged by a customer complaint.

Our Gogo service is also covered by the FCC's data roaming rules, which require commercial mobile data service ("CMDS") providers like Gogo to negotiate roaming arrangements with any requesting facilities-based, technologically compatible providers of CMDS. The rules do not give other providers the right to install equipment on Gogo-equipped aircraft, and do not require the Gogo service to be provided on a discounted basis, although the arrangement must be "commercially reasonable." The rules allow us to take reasonable measures to safeguard the quality of our service against network congestion that may result from roaming traffic.

In addition to the ATG license, we hold other FCC licenses, including microwave licenses that are used for backhaul in our terrestrial network, an experimental license used for testing equipment, and a non-exclusive license at 3650 MHz, which currently does not authorize operational use, and would require registration with the FCC of transmitter site locations prior to commencing use.

ATG License Terms and Conditions

The FCC issued our ATG license on October 31, 2006 for an initial ten-year term. The ATG license requires us to provide substantial service to aircraft by October 31, 2011; if we had not met that deadline our license would have been subject to cancellation by the FCC. In December 2008, we filed our substantial service showing, which was accepted by the FCC. Upon the expiration of the initial term of our license in October 2016, we may renew our license for additional ten-year terms at no additional cost. At the end of each term, to renew the license, we are required to file an application for renewal. If that application is challenged, the FCC will apply a preference, which is commonly referred to as a renewal expectancy, if we can demonstrate that we have both provided substantial service during the past license term and substantially complied with applicable FCC rules and policies and the Communications Act. In 2010, the FCC proposed to amend its license renewal rules to require more detailed renewal showings. That proposal remains pending.

Our ATG license contains certain conditions that require us to comply with all applicable FCC and FAA rules as well as all bilateral agreements between the U.S. and Canada and the U.S. and Mexico regarding the frequencies in the 800 MHz band that are used for ATG services. These agreements apply to our use of the spectrum in areas adjacent to the United States' northern and southern borders and in and out of Canadian and Mexican airspace.

A bilateral ATG spectrum coordination agreement between the U.S. and Canada has been negotiated and approved, pending certain formalities, and a similar agreement between the U.S. and Mexico is in the process of being negotiated. Prior to spectrum coordination with ATG licensees in Canada and Mexico, the new agreements could affect our ability to provide our broadband internet service in the border areas using our current cell sites at current operating power levels, and could affect our ability to establish or maintain ATG service in the border areas as aircraft fly into and out of Canadian and Mexican airspace. Industry Canada (the Canadian governmental agency that licenses radio frequency spectrum) has licensed a company to provide ATG service in Canada and Gogo has entered into a lease and coordination agreement with that company that will provide seamless connectivity on flights between Canada and the U.S. Gogo is in the process of seeking Industry Canada approval for the lease agreement. Once a provider of air-ground services is licensed in Mexico, we hope to negotiate a similar arrangement that will provide seamless connectivity on flights between Mexico and the U.S.

Equipment Certification

We may not lease, sell, market or distribute any radio transmission equipment used in the provision of BA or CA services unless such equipment is certified by the FCC as compliant with the FCC's technical rules. We have obtained all certifications required for equipment currently used in the provision of our services.

Privacy and Data Security-Related Regulations

Our satellite-based BA offerings are subject to the FCC's Customer Proprietary Network Information rules, which require carriers to comply with a range of marketing and privacy safeguards. These obligations focus on carriers' access, use, storage and disclosure of customer proprietary network information. We comply with these rules and obligations, and we certify annually, as required, that we have established operating procedures adequate to ensure our compliance.

We are also subject to other federal and state consumer privacy and data security requirements. For example, Section 5 of the Federal Trade Commission ("FTC") Act prohibits "unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce." The FTC does not have jurisdiction over common carriers, and its authority to regulate the non-common carrier services offered by common carriers has not been clearly delineated, but FTC officials have publicly stated that they view the FTC as having jurisdiction over internet service providers' non-common carrier services. Some of our services, such as Gogo Connectivity, are non-common carrier services. With respect to online activity, the FTC has brought enforcement actions under the FTC Act against companies that, *inter alia*: (1) collect, use, share, or retain personal information in a way that is inconsistent with the representations, commitments, and promises that they make in their privacy policies; (2) have privacy policies that do not adequately inform consumers about the company's actual practices; and (3) fail to protect the security, privacy, and confidentiality of nonpublic consumer information.

We are also subject to state "mini-FTC Acts" along with data security breach notification laws requiring entities holding certain personal data to provide notices in the event of a breach of the security of that data. A few states have also imposed specific data security obligations. These state mini-FTC Acts, data security breach notification laws, and data security obligations may not extend to all of our services and their applicability may be limited by various factors, such as whether an affected party is a resident of a particular state.

Truth in Billing and Consumer Protection

The FCC's Truth in Billing rules generally require full and fair disclosure of all charges on customer bills for telecommunications services. These rules apply to our satellite-based BA services. This disclosure must include brief, clear, and non-misleading plain language descriptions of the services provided. States also have the right to regulate wireless carriers' billing; however, we are not currently aware of any states that impose billing requirements on ATG services.

CALEA

The FCC has determined that facilities-based broadband internet access providers, which include Gogo, are subject to the Communications Assistance for Law Enforcement Act, or CALEA, which requires covered service providers to build certain law enforcement surveillance assistance capabilities into their communications networks and to maintain CALEA-related system security policies and procedures. Our network has been confirmed as compliant with CALEA by a third-party tester as of May 18, 2011.

Intellectual Property

We rely on a combination of intellectual property rights, including trade secrets, patents, copyrights, trademarks and domain names, as well as contractual restrictions to protect intellectual property and proprietary technology owned or used by us.

We have patented certain of our technologies in the United States and certain countries outside of the United States. As of February 29, 2012, our United States patents will expire at dates ranging from October 2012 to June 2028 while our patents outside of the United States expire at dates ranging from March 2015 to September 2027. We do not believe our business is dependent to any material extent on any single patent or group of patents that we own. We also have a number of patent applications pending both in and outside of the United States and we will continue to seek patent protection in the United States and certain other countries to the extent we believe such protection is appropriate and cost-effective.

We consider our brands to be important to the success of our business and our competitive position. We rely on both trademark registrations and common law protection for trademarks. Our registered trademarks in the United States and certain other countries include, among others, “Gogo” and “Aircell,” although we have not yet obtained registrations for our most important marks in all markets in which we intend to do business in the future. In addition, we currently have applications pending in the United States for the registration of “Gogo Vision” and “In Air. Online.” Generally, the protection afforded for trademarks is perpetual life, if they are renewed on a timely basis, if registered, and continue to be used properly as trademarks.

We license or purchase from third parties technology, software and hardware that are critical to providing our products and services. Much of this technology, software and hardware is customized for our use and would be difficult or time-consuming to obtain from alternative vendors. We also license our proprietary technology and software to third parties to enable them to integrate such technology and software into the products they provide to us. Many of our agreements with such third parties are renewable for indefinite periods of time unless either party chooses to terminate, although some of our agreements expire after fixed periods and would require renegotiation prior to expiration in order to extend the term. Among the most material of our technology-related agreements are those for aircards, base stations and antennas. Our agreements for aircards and base stations do not renew automatically, but will require renegotiation. Such agreements as well as certain licenses to commercially available software are material to our business.

We have developed certain ideas, processes, and methods that contribute to our success and competitive position that we consider to be trade secrets. We protect our trade secrets by keeping them confidential through the use of internal and external controls, including contractual protections with employees, contractors, customers, vendors, and airline partners. Trade secrets can be protected for an indefinite period so long as their secrecy is maintained.

Privacy

We collect personally identifiable information, including name, address, e-mail address and credit card information, directly from our users when they register to use our service. We also may obtain information about our users from third parties. We use the information that we collect to consummate their purchase transaction, to customize and personalize advertising and content for our users and to enhance the entertainment options when using our service. Our collection and use of such information complies with our privacy policy, which is posted on our website, our contractual obligations with third parties and industry standards, such as the Payment Card Industry Data Security Standard.

We have implemented commercially reasonable physical and electronic security measures to protect against the loss, misuse and alteration of personally identifiable information.

Corporate Culture

A core component to our success is the Gogo corporate culture. A strong corporate culture fosters innovation, encourages teamwork and encourages creativity. We have and continue to invest significant time, energy and resources in building a highly collaborative team. The ability to attract and retain competent and effective employees will be of paramount importance moving forward as a public company. The innovative, data

intensive and consumer and partner focused nature of our business requires collaboration and communication to ensure consistency and productivity.

Employees

As of February 29, 2012, we had 462 employees, including 100 in engineering, 124 in network operations, 90 in sales and marketing and 81 in general and administrative. Of such employees, 116 were located in our Broomfield, Colorado facility, which houses our BA operations. None of our employees are represented by a labor union.

Facilities

We currently lease approximately 100,525 square feet for our CA business and corporate headquarters in Itasca, Illinois under a lease agreement that expires in February 29, 2020, 21,725 square feet for our CA manufacturing facility in Bensenville, Illinois under a lease agreement that expires in August 31, 2014 and 49,503 square feet for our BA facility in Broomfield, Colorado under a lease agreement that expires on September 30, 2015. We believe our current facilities will be adequate for the foreseeable future.

Legal Proceedings

On December 19, 2011, Advanced Media Networks, L.L.C. filed suit in the United States District Court for the Central District of California against us for allegedly infringing one of its patents and seeking injunctive relief that would affect both our CA and BA businesses and unspecified monetary damages. Based on currently available information, we believe that we have strong defenses and intend to defend against this lawsuit vigorously, but the outcome of this matter is inherently uncertain and may be materially adverse.

On January 23, 2012, we received a letter from Southwest Airlines Co. notifying us that AirTran Airways, which became a wholly-owned subsidiary of Southwest Airlines Co. on May 2, 2011, would be deinstalling our internet connectivity equipment from its fleet as part of the process by which Southwest Airlines' and AirTran's fleets will be merged. On March 7, 2012, we filed for a preliminary injunction in the Circuit Court of Cook County, Illinois barring AirTran from proceeding with the deinstallation in violation of our connectivity agreement with AirTran. Revenue from passengers using the Gogo service while flying on aircraft operated by AirTran accounted for less than 5% of our consolidated revenue for the year ended December 31, 2011. If we do not succeed in our attempt to enjoin AirTran from deinstalling our equipment, our results of operations would be adversely affected. See "Risk Factors—Risks Related to Our Business and Industry—Expenses or liabilities from litigation could adversely affect our results of operations and financial condition."

In addition to the matters discussed above, from time to time we may become involved in legal proceedings arising in the ordinary course of our business. We cannot predict with certainty the outcome of any litigation or the potential for future litigation. Regardless of the outcome of any particular litigation and the merits of any particular claim, litigation can have a material adverse impact on our company due to, among other reasons, any injunctive relief granted, which could inhibit our ability to operate our business, amounts paid as damages or in settlement of any such matter, diversion of management resources and defense costs.

MANAGEMENT

Set forth below is certain information regarding our directors and our executive officers as of March 15, 2012.

Name	Age	Position
Ronald T. LeMay	66	Executive Chairman; Chairman of the Board
Michael J. Small	54	President and Chief Executive Officer; Director
Norman Smagley	53	Executive Vice President and Chief Financial Officer
Ash A. ElDifrawi	45	Executive Vice President and Chief Marketing Officer
John B. Happ	56	Executive Vice President, Airlines
John Wade	48	Executive Vice President and General Manager, Business Aviation
Anand K. Chari	44	Senior Vice President, Engineering and Chief Technology Officer
Jonathan B. Cobin	38	Senior Vice President, Project Operations and Management
Marguerite M. Elias	57	Senior Vice President, General Counsel and Secretary
Mark Malosh	42	Senior Vice President, Network Operations
Rama Prasad	53	Senior Vice President and Chief Information Officer
David Russell	47	Senior Vice President and General Manager, Europe and the Middle East
Joe M. Cruz	65	Chief Scientist
Thomas E. McShane	57	Vice President, Controller and Chief Accounting Officer
Robert L. Crandall	76	Director
Lawrence N. Lavine	60	Director
Christopher Minnetian	43	Director
Oakleigh Thorne	54	Director
Charles C. Townsend	62	Director
Harris N. Williams	42	Director

Executive Officers

Ronald T. LeMay, Executive Chairman, Chairman of the Board, is a 38-year veteran of the communications industry, having served as an officer of Southwestern Bell, AT&T and Sprint. His Sprint career spanned 18 years and included serving as Chief Executive Officer of Sprint PCS. Mr. LeMay also served as President and Chief Operating Officer of Sprint Corporation from July 1996 until April 2003, when he became and continues to serve as Industrial Partner for Ripplewood Holdings, a private equity firm and one of our investors. He also served as Representative (Chief) Executive Officer of Japan Telecom, a Ripplewood portfolio company, from November 2003 until the sale of the company in July 2004. Mr. LeMay also served as Chief Executive Officer of Last Mile Connections, Inc. from October 2006 to August 2009. Mr. LeMay has served as Chairman of October Capital and Razorback Capital, both private investment companies, since February 2001 and August 2006, respectively, and as a Managing Director of OpenAir Equity Partners, a venture capital firm, since September 2008. Mr. LeMay has also served as a director of Allstate Corporation, since 1999, and as a director of Imation Corporation, from July 1996 to August 1997 and from December 1997 to the present. Mr. LeMay has served as the Executive Chairman of our Board of Directors since July 2006, except for the period from July 2009 to February 2010, during which he served as our Chief Executive Officer.

Specific qualifications, experience, skills and expertise include:

- Operating and management experience;
- Core business skills, including financial and strategic planning; and
- Deep understanding of our company, its history and culture.

Michael J. Small, President and Chief Executive Officer, Director, has served as our President and Chief Executive Officer since February 2010. Mr. Small has over 30 years of experience in the communications industry. From January 1999 until November 2009, Mr. Small served as the Chief Executive Officer and Director of then-public Centennial Communications Corporation, a regional telecom service provider, where he was responsible for the strategic direction, financial well-being, and operational performance of the organization. From 1995 to 1998, Mr. Small served as Executive Vice President and Chief Financial Officer of 360 Degrees Communications Company. Prior to 1995, he served as President of Lynch Corporation, a diversified acquisition-oriented company with operations in telecommunications, manufacturing and transportation services. Mr. Small received his Master's Degree in Business Administration from University of Chicago and holds a Bachelor of Arts degree from Colgate University. Mr. Small has served as a member of our Board since 2010. Mr. Small served on the board of directors of First Midwest Bancorp. since 2010, and previously served on the board of directors of Centennial Communications from 1999 to 2009.

Specific qualifications, experience, skills and expertise include:

- Operating and management experience;
- Core business skills, including financial and strategic planning; and
- Deep understanding of our company and the telecommunications industry.

Norman Smagley, Executive Vice President and Chief Financial Officer, has served as our Chief Financial Officer since September 2010. Mr. Smagley brings 18 years of experience as a chief financial officer for both public and private companies across many industries, including technology, financial services, pharmaceutical, retail, industrial and publishing companies. Most recently, Mr. Smagley served as Senior Vice President and Chief Financial Officer of Rand McNally, a publisher of maps, atlases and other reference materials, from May 2002 to March 2010. Mr. Smagley received both his Master's Degree in Finance and his Bachelor's degree in Economics from The Wharton School of the University of Pennsylvania.

Ash A. ElDifrawi, Executive Vice President and Chief Marketing Officer, joined us in October 2010. Prior to joining Gogo, from April 2008 to October 2010, he served as Chief Marketing Officer of Hayneedle Inc., a leading online retailer of home products. From May 2007 to March 2008, Mr. ElDifrawi was a Director of Brand Advertising at Google Inc., responsible for all CPM-based revenue. From January 2004 to February 2007, he was a Managing Director, Global Enjoyment Platform, at Wrigley Company, where he oversaw a $1 billion portfolio of brands globally. Prior to his tenure at Wrigley, Mr. ElDifrawi was a management consultant at McKinsey & Company. Mr. ElDifrawi earned both his Bachelor's degree in Biology and Master's degree in Sociology from the University of Chicago, and went on to gain his doctorate in Clinical Psychology from the Chicago School of Psychology. In May of 2008 Mr. ElDifrawi entered into a settlement agreement with the U.S. Department of Health and Human Services in settlement of alleged civil violations of the Social Security Act relating to alleged fraudulent claims by Mr. ElDifrawi's former psychology practice prior to April 30, 2003. Mr. ElDifrawi agreed to pay a settlement amount and to be excluded from participation in any Federally funded health care programs and similar state programs, with eligibility for reinstatement beginning five years after the settlement date. The settlement agreement contained no findings of wrongdoing on the part of Mr. ElDifrawi, nor did it contain any admission of wrongdoing by Mr. ElDifrawi, nor was his license suspended or revoked.

John B. Happ, Executive Vice President, Airlines, joined us in April 2008. Mr. Happ has more than 20 years of airline industry experience, most recently serving as Senior Vice President of Marketing and Planning at

Frontier Airlines, from August 2005 to January 2008. Mr. Happ has also worked in executive capacities at ATA, Hawaiian, Continental and Singapore Airlines. He earned a Bachelor of Science degree from San Diego State University.

John Wade, Executive Vice President and General Manager, Business Aviation, joined us in November 2008. Prior to joining Gogo, Mr. Wade served as Chief Technical Officer and General Manager of in-flight mobile phone and internet provider OnAir, from February 2005 to November 2008. He was responsible for all of OnAir's internet business, including sales, strategy, customer relationship management and product development. Mr. Wade has more than 20 years of experience in the avionics and in-flight communications industries, having also held positions at in-flight internet and connectivity services provider Tenzing Communications, as well as PRIMEX Aerospace Company and GEC Marconi In-Flight Systems. Mr. Wade received his education at the University of Brighton, U.K., where he earned a First Class B Engineering Honors Degree in Electronic Engineering.

Anand Chari, Senior Vice President, Engineering and Chief Technical Officer, joined Aircell, Inc. in 2003 as a consultant. From July 2006 to July 2011, he served as Vice President of Engineering. In July 2011, he became our Chief Technical Officer and Senior Vice President, Engineering. He brings over 20 years of experience in the wireless communications and telecom industry with him to this position. Prior to joining Aircell, Mr. Chari founded and served as President of Simma Technologies Inc., a technology and management consulting company. He also served as Vice President of Sales and Business Development at ISCO International, Director of Business Development at 3Com, Director of Advanced Technology at Ameritech, and Manager at Telephone and Data Systems. Mr. Chari received his Master of Business Administration degree from University of Chicago, his Master of Science degree in Computer Engineering from Iowa State University, and a Bachelor of Science degree in Electronics and Communications Engineering from National Institutes of Technology, Trichy, India.

Jonathan B. Cobin, Senior Vice President, Project Operations and Management, joined us in April 2010. From September 2003 to January 2010, Mr. Cobin was employed by Centennial Communications, a regional telecom service provider, principally in the role of Vice President Strategic Planning. Previously, Mr. Cobin held positions of increasing responsibility as a strategy consultant at Dean & Company and also worked in the investment banking group at J.P. Morgan. He received his Master's degree in Business Administration from the Stanford University Graduate School of Business and a Bachelor of Arts from Dartmouth College.

Marguerite M. Elias, Senior Vice President, General Counsel and Secretary, joined us in September 2007. From June 2004 until July 2007, Ms. Elias served as Senior Vice President and General Counsel of eCollege.com, a publicly traded provider of outsourced eLearning solutions where she was responsible for all legal and compliance issues, managed the human resources function and was a member of senior management. Ms. Elias was in private practice for 15 years at Skadden, Arps, Slate, Meagher & Flom and Katten Muchin Rosenman, where she specialized in federal securities law, corporate finance, and mergers and acquisitions for clients across a broad spectrum of industries. Ms. Elias is a member of the American Law Institute. Ms. Elias received a Bachelor of Arts degree in Economics from Northwestern University and a Juris Doctor from Loyola University of Chicago School of Law.

Mark Malosh, Senior Vice President, Network Operations, joined us in August 2006 as Vice President. He has served as Senior Vice President since July 2011. Mr. Malosh has 20 years of wireless experience, including as Senior Director, Field Operations with Sprint-Nextel Corp. and Field Engineer with Nortel Networks Corp. Mark received his Master of Business Administration degree from the University of Chicago, Master of Science in Electrical Engineering degree from the University of Illinois at Chicago and his Bachelor of Science in Electrical Engineering degree from Michigan Technological University.

Rama Prasad, Senior Vice President and Chief Information Officer, joined us in 2010. Rama joined Gogo with over twenty years of experience leading IT functions. From December 2008 to June 2010, Mr. Prasad

served as the Senior Director of Application Development at U.S. Cellular Corp., a wireless telecommunications operator. From December 2006 to December 2008, Mr. Prasad was the Vice President of Information Technology at Hewitt Associates. He also served as Vice President of Information Technology for Orbitz Worldwide from November 2003 to December 2006. Mr. Prasad received his Master of Business Administration degree from Rockhurst University, his Master of Science degree in Computer Science from University of Missouri, and his Bachelor of Science degree in Engineering from Osmania University, Hyderabad, India.

David Russell, Senior Vice President and General Manager, Europe and the Middle East, joined us in January 2012. Mr. Russell has more than 20 years of management experience at leading aviation IT services and telecommunications companies. From July 2009 to January 2011, Mr. Russell was Vice President of Strategic Programmes for the SITA Group, a leading provider of IT solutions and communications services to the air transport industry. From January 2007 to June 2009, he served as Chief Operating Officer of OnAir, an in-flight passenger communications provider. Mr. Russell is a Chartered Engineer, having attained a BSc at University of Strathclyde, and earned his MBA at Imperial College, University of London.

Joe M. Cruz, Chief Scientist, joined Aircell, Inc. in 2003 as Chief Technology Officer. Mr. Cruz has held senior executive roles in the aviation, satellite and terrestrial communications industries with companies including Ameritech Cellular and LG Electronics. In addition, he has co-founded several technology development companies including Airfone, Railfone, Personal Guardian, Med-Net and Intelli-Sens. He also is one of the founding partners of the CDMA Development Group and the CDPD Consortium of companies. Mr. Cruz earned his degree in Electrical Engineering from the University of the Philippines.

Thomas McShane, Vice President, Controller and Chief Accounting Officer, joined us in September 2011. From July 2010 to September 2011, Mr. McShane was a self-employed, financial consultant, during which period he served as Interim Corporate Controller for Pregis Corporation. From April 2003 to July 2010, he was Vice President, Corporate Controller at Pliant Corporation, an international manufacturer and distributor of plastic film and flexible packaging materials to the food, personal care, industrial and agricultural markets. Prior to that, Mr. McShane was with Arthur Andersen for 25 years, where most recently he was a Partner and Director of Global Financial Planning and Analysis. Mr. McShane is a Registered Certified Public Accountant and received his Economics degree from DePauw University.

Directors

Robert L. Crandall is the former chairman and CEO of AMR Corporation and American Airlines. Mr. Crandall is currently a director of Celestica Inc. and is a director of, or a consultant to, several non-public companies. Mr. Crandall has been a member of our Board of Directors since June 2006 and served as a member of the Board of Directors of Aircell from 2003 until January 2007.

Specific qualifications, experience, skills and expertise include:

- Operating and management experience;
- Core business skills, including financial and strategic planning; and
- Deep understanding of the airline industry.

Lawrence N. Lavine is a Senior Managing Director of Ripplewood Holdings LLC, having joined Ripplewood in July 2004 after a 28-year career in investment banking that included heading up the Healthcare and Real Estate practice for Credit Suisse’s Mergers and Acquisitions Group. Mr. Lavine started his career on Wall Street at Kidder, Peabody & Co. Mr. Lavine has served as a director of 3W Power Holdings Ltd., since February 2011, and also serves as a director of other private and non-profit organizations. Mr. Lavine has been a member of our Board of Directors since 2006.

Specific qualifications, experience, skills and expertise include:

- Core business skills, including financial and strategic planning; and
- Expertise in finance and financial reporting.

Christopher Minnetian joined Ripplewood Holdings LLC in 2001 as General Counsel and also serves Ripplewood as a Managing Director. Previously, Mr. Minnetian was an attorney with the law firm of Piper Rudnick LLP where his practice focused on domestic and international mergers and acquisitions, venture capital transactions, and private equity. Mr. Minnetian currently serves as a director of 3W Power Holdings Ltd., a position he has held since February 2011, as well as other private and non-profit organizations, and served as a director of RSC Holdings Inc. from 2006 to 2009. Mr. Minnetian has been a member of our Board of Directors since 2006.

Specific qualifications, experience, skills and expertise include:

- Operating and risk management experience, relevant to the oversight of operational risk management; and
- Core business skills, including financial reporting, compliance and internal controls.

Oakleigh Thorne serves as the CEO of Thorndale Farm, LLC, which oversees investment of Thorne family assets. From 1996 to 2009, served as the Co-President of Blumenstein / Thorne Information Partners, LLC, a private equity and venture capital firm. From 2000 to 2007, Mr. Thorne served as Chairman and CEO of eCollege.com, a provider of outsourced eLearning solutions, and he previously served as CEO of Commerce Clearing House Inc. Mr. Thorne currently serves as a director of Datamark Inc., Machinery Link, Inc. and ShopperTrak, in addition to various charitable organizations. Mr. Thorne has been a member of our Board of Directors since June 2006 and served as a member of the Board of Directors of Aircell from 2003 until January 2007.

Specific qualifications, experience, skills and expertise include:

- Core business skills, including financial and strategic planning;
- Finance, financial reporting, compliance and controls expertise; and
- Deep understanding of our company and industry.

Charles C. Townsend founded Aloha Partners LP in 2001 and serves as its Managing General Partner. Mr. Townsend has also served as President and Chief Executive Officer of Aloha Partners II since March 2006 and from 2002 to 2008, served as President and Chief Executive Officer of Aloha Partners LP. Since January 2004, Mr. Townsend has also served as President of Pac 3, LLC. Mr. Townsend has been a member of our Board of Directors since January 2010.

Specific qualifications, experience, skills and expertise include:

- Core business skills, including financial and strategic planning; and
- Deep understanding of the telecommunications industry.

Harris N. Williams serves as Managing Director of Ripplewood Holdings LLC. Prior to joining Ripplewood in 2005, Mr. Williams was in the Investment Banking division of Credit Suisse, primarily focused on mergers and acquisitions and leveraged buyouts. Mr. Williams executed transactions across a range of industries at Credit Suisse, including aerospace technology, healthcare and real estate. Mr. Williams has also served on the Board of Directors of 3W Power Holdings Ltd. since February 2011, where he has also served as the Chairman of the Audit Committee since November 2011, and previously served as a director of Reader’s Digest Association Inc. from March 2007 to August 2009. Mr. Williams has been a member of our Board of Directors since March 2010.

Specific qualifications, experience, skills and expertise include:

- Core business skills, including financial and strategic planning; and
- Expertise in financial management and financial reporting.

Composition of our Board of Directors

Our Board is currently composed of eight directors, including Michael Small, our Chief Executive Officer. Pursuant to our current stockholders agreement, Oakleigh Thorne and certain family members and other affiliates are entitled to designate one additional director to our Board to replace Jack Blumenstein who passed away on February 29, 2012. The exact number of members of our Board may be modified from time to time exclusively by resolution of our Board. Our amended and restated bylaws will also provide that our Board will be divided into three classes whose members will serve three-year terms expiring in successive years.

The terms of office of members of our board of directors will be divided into three classes:

- Class I directors, whose terms will expire at the annual meeting of stockholders to be held in ;
- Class II directors, whose terms will expire at the annual meeting of stockholders to be held in ; and
- Class III directors, whose terms will expire at the annual meeting of stockholders to be held in .

Our Class I directors will be , our Class II directors will be , and our Class III directors will be . At each annual meeting of stockholders, the successors to the directors whose terms will then expire will be elected to serve from the time of election and qualification until the third annual meeting following such election. Any vacancies in our classified board of directors will be filled by the remaining directors and the elected person will serve the remainder of the term of the class to which he or she is appointed. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

Committees of the Board of Directors

Our board of directors has three principal committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

The Audit Committee's primary duties and responsibilities will be to:

- appoint, compensate, retain and oversee the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services and review and appraise the audit efforts of our independent accountants;
- establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters;
- engage independent counsel and other advisers, as necessary;
- determine funding of various services provided by accountants or advisers retained by the committee;
- serve as an independent and objective party to oversee our internal controls and procedures system; and
- provide an open avenue of communication among the independent accountants, financial and senior management and the board.

Upon completion of this offering, the Audit Committee will consist of and will have at least independent director(s) and at least one Audit Committee financial expert. Prior to the consummation of this offering, our board of directors will adopt a written charter under which the Audit Committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and Nasdaq, will be available on our web site.

Compensation Committee

The purpose of the Compensation Committee is to review and approve the compensation of our executives. The Compensation Committee approves compensation objectives and policies as well as compensation plans and specific compensation levels for all executive officers. Upon completion of this offering, the Compensation Committee will consist of and will have at least independent director(s). Prior to the consummation of this offering, our board of directors will adopt a written charter under which the Compensation Committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and Nasdaq, will be available on our web site.

The Compensation Committee retained Deloitte Consulting LLP in October 2011 to advise how our current executive compensation programs compare with the executive compensation programs and practices of typical post-IPO companies. Affiliates of Deloitte Consulting, Deloitte & Touche LLP and Deloitte Tax LLP, also performed audit and tax services for us in 2011. The aggregate fees paid to Deloitte Consulting LLP by the Company for its services provided in connection with our executive and compensation programs during 2011 was $22,000. The aggregate fees incurred with Deloitte & Touche LLP by the Company for audit services provided in 2011 were $1,167,459. The aggregate fees incurred with Deloitte Tax LLP by the Company for its tax services for 2011 were $322,405. We also incurred subscription fees with Deloitte & Touche Products Company LLC of $2,200 in 2011 for its online accounting research tool. The decision to engage Deloitte & Touche LLP and Deloitte Tax LLP for audit and tax services was recommended by management and approved by the Audit Committee. The decision to engage Deloitte Consulting LLP for executive compensation services was recommended by management and approved by the Compensation Committee and the engagement of an affiliate of Deloitte & Touche LLP to provide other non-audit services was approved by the Audit Committee.

Nominating and Corporate Governance Committee

Upon completion of this offering, the Nominating and Corporate Governance Committee of our board of directors will consist of and will have at least independent director(s). The Nominating and Corporate Governance Committee will be responsible for recruiting and retention of qualified persons to serve on our board of directors, including proposing such individuals to the board of directors for nomination for election as directors, for evaluating the performance, size and composition of the board of directors and for oversight of our compliance activities. Prior to the consummation of this offering, our board of directors will adopt a written charter under which the Nominating and Corporate Governance Committee will operate. A copy of the charter, which will satisfy the applicable standards of the SEC and Nasdaq, will be available on our web site.

Code of Ethics

Effective upon completion of this offering, our Board will adopt a new written Code of Ethics and Conduct applicable to our directors, chief executive officer, chief financial officer, controller and all other officers and employees of Gogo and its subsidiaries. Copies of the Code of Ethics will be available without charge on the investor relations portion of our website upon completion of this offering or upon request in writing to Gogo Inc., 1250 N. Arlington Heights Rd., Suite 500, Itasca, IL 60143, Attention: Corporate Secretary.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

In this *Compensation Discussion and Analysis*, we provide an overview of the Company's executive compensation program, including a discussion of the compensation philosophy of the Compensation Committee of our Board of Directors (the "Compensation Committee"). We also review the material elements of compensation earned by or paid to our named executive officers in 2011, and discuss and analyze the compensation decisions made by the Compensation Committee in 2011.

Our named executive officers discussed in this *Compensation Discussion and Analysis* and the related compensation tables are the officers listed in the table below.

Name	Title
Michael Small	President and Chief Executive Officer
Norman Smagley	Executive Vice President and Chief Financial Officer
Ash ElDifrawi	Executive Vice President and Chief Marketing Officer
John Wade	Executive Vice President and General Manager, Business Aviation
Anand Chari	Senior Vice President, Engineering and Chief Technology Officer

The Compensation Committee has overall responsibility for approving the compensation program for our named executive officers and makes all final compensation decisions regarding our named executive officers. The Compensation Committee works to ensure that our compensation policies and practices are consistent with our values and support the successful recruitment, development and retention of executive talent so we can achieve our business objectives and optimize our long-term financial returns.

Executive Summary

Our compensation programs are intended to align our named executive officers' interests with those of our stockholders by rewarding performance that meets or exceeds the goals the Compensation Committee establishes with the objective of increasing stockholder value and to support the shorter term business goals we believe are necessary to effect such an increase. In line with our pay for performance philosophy, the total compensation received by our named executive officers will vary based on individual and corporate performance. Our named executive officers' total compensation is comprised of a mix of base salary, annual incentive compensation and long-term equity awards.

During 2011, our shorter term financial goals were growing our revenues and increasing our available cash reserves and working capital. Our overall corporate performance objectives were focused on building a world-class organization, evaluating global expansion, going down an IPO path, implementing a technology plan, improving operational intensity and achieving budget targets, making Gogo synonymous with in-flight connectivity enabled experiences and achieving aircraft installation goals at BA and CA. As described above in "Management's Discussion and Analysis of Financial Condition and Results of Operations," our consolidated revenue increased to $160.2 million for the year ended December 31, 2011 as compared with $94.7 million during the prior year, and our operating cash flows for the year ended December 31, 2011 improved $52.2 million over the prior year. We also generated net income of $23.6 million for the year (as compared to a net loss of $113.4 million for the prior year) and our consolidated Adjusted EBITDA (as defined in Note 7 to the tables in the section "Summary Historical Consolidated Financial and Other Operating Data") increased from $(44.9) million to $(0.9) million over the same period. The strong operating and financial performance by our BA and CA segments against 2011 projections was reflected in the performance-based compensation paid to our named executive officers for 2011.

During 2011, we made compensation decisions and adjustments to elements of our compensation programs to further encourage our pay-for-performance culture, including:

- The Compensation Committee established the 2011 annual bonus plan and set targeted performance levels for two key financial metrics (revenue and EBITDA less capital expenditures) and individual performance metrics in order to incent our management team to strive to attain our critical business imperatives; and
- The Company made additional grants under our stock option plan to provide meaningful incentives for our executive team to create long-term value, to further align the interests of our executives and our equity holders and to attract and retain valuable members of management.

We also employ a number of practices that reflect the Company's compensation philosophy:

- We do not maintain any change in control-related severance or tax gross-up arrangements;
- We do not provide special retirement benefits designed solely for executive officers;
- Our performance-based compensation arrangements for executive officers use a variety of performance measures;
- We do not provide "perquisites" or other executive benefits based solely on rank; and
- We have adopted stock ownership policies for each of our executive officers.

Establishing and Evaluating Executive Compensation

Executive Compensation Philosophy and Objectives. The Compensation Committee's executive compensation program has been designed to provide a total compensation package that will accomplish the following objectives:

- Attract, retain and motivate high performing executive talent;
- Emphasize incentive pay with a focus on equity compensation;
- Directly align executive compensation elements with both short-term and long-term Company performance; and
- Align the interests of our executives with those of our stockholders.

These objectives guided the decisions made by the Compensation Committee with respect to 2011 executive compensation.

Role of Compensation Consultants. We did not use a compensation consultant to advise us with respect to setting executive salaries and bonus levels for 2011. The Compensation Committee retained Deloitte Consulting LLP in October 2011 to advise how our current executive compensation programs compare with the executive compensation program/practices of typical post-IPO companies. Affiliates of Deloitte also performed audit and tax services for us in 2011. See "Management—Committees of the Board of Directors—Compensation Committee" for a discussion of such other services.

Role of Executive Officers. Our Executive Chairman and Chief Executive Officer occasionally participate in Compensation Committee meetings and make recommendations to our Compensation Committee with respect to the setting of components of compensation, compensation levels and performance targets for our other executives. The Committee also meets formally and informally without executive management to discuss compensation philosophy and approach. The Executive Chairman and the Chief Executive Officer do not participate in discussions regarding their own compensation.

Market Comparisons. Our Compensation Committee has from time to time used market data as one factor in assessing how our base salary, target short-term incentives, target total cash compensation, actual total cash compensation, target long-term incentives and target total direct compensation compares to other companies in

our peer group. The Compensation Committee has not targeted compensation to any peer group percentile data but instead has used peer group data with a goal of providing total direct compensation opportunities for the named executive officers at a level that is competitive with our peer group for executives in similar positions with similar responsibilities at companies included in our peer market data and that fairly compensates our executives. The Compensation Committee last used peer group data provided by Mercer in 2010. The peer group used at that time was developed jointly by the Compensation Committee and Mercer and included the following 16 companies: MetroPCS Communications, Inc.; Global Crossing Limited; Leap Wireless International, Inc.; PAETEC Holding Corp.; tw telecom inc.; Vonage Holdings Corp.; Premiere Global Services, Inc.; NTELOS Holdings Corp.; iPCS, Inc.; Syniverse Holdings, Inc.; Alaska Communications Systems Group, Inc.; USA Mobility, Inc.; Cbeyond, Inc.; AboveNet, Inc.; Cogent Communications Group, Inc.; and Atlantic Tele-Network, Inc. The Compensation Committee did not use peer group data to make decisions regarding named executive officer compensation in 2011.

Elements of Compensation

Base Salary

We provide a base salary to our named executive officers to compensate them in a fixed and liquid form for services rendered on a day-to-day basis during the year. We strive to set base salaries at a level that is competitive with our peer group for executives in similar positions with similar responsibilities at companies included in our peer market data. The base salaries of all named executive officers are reviewed annually and adjusted when necessary to reflect individual roles and performance as well as market conditions.

2011 Base Salaries. Each of our named executive officers received the base salary set forth in the Summary Compensation Table under “Salary.” For 2011, the Compensation Committee initially set base salaries for Messrs. Small, Smagley, ElDifrawi, Wade and Chari at $600,000, $323,000, $360,000, $250,000 and $230,000, respectively. Messrs. Small and ElDifrawi’s base salaries for 2011 were set at the amount required pursuant to their respective employment agreements. Pursuant to the terms of each employment agreement, the base salaries are reviewed at least annually. For a more detailed description of the terms of these employment agreements, see “Narrative to Summary Compensation Table and Grants of Plan Based Awards Table—Employment Agreements.” The Compensation Committee determined to make adjustments to the salaries of several of our named executive officers in 2011. Most adjustments effected a modest adjustment of 5% or less. Mr. Wade’s annual salary was increased from $230,000 per annum to $250,000 per annum to appropriately compensate him for his performance in carrying out his duties and responsibilities. Mr. Chari’s annual salary was increased, effective July 2011, to $250,000 per annum, in light of his promotion to Senior Vice President.

2012 Base Salary. The Committee determined to make modest increases (between 3% and 6%) to the base salaries of our named executive officers in 2012.

Annual Bonus Plan

We use annual cash incentive bonuses to reward our named executive officers for the achievement of company performance goals, as well as measurable individual objectives. These performance-based bonuses are tied to our operating results in order to motivate the executive to focus on particular performance measures chosen by the Committee. The Committee chooses performance measures that are aligned with our strategic goals, thereby providing incentives to accomplish objectives that the Committee believes should improve long-term stockholder value over time.

2011 Bonuses. At the beginning of 2011, the Compensation Committee established the performance objectives for the 2011 annual bonus plan. The 2011 bonus plan includes two components, one based on achievement of specified financial objectives, which we refer to as the financial component, and the other based upon achievement of certain measurable individual objectives, which we refer to as the individual component.

The financial component accounts for 80% of the bonus opportunity and includes the following financial targets: (1) the attainment of a pre-established revenue target of approximately $92.0 million for CA and $53.9 million for BA; and (2) the attainment of a pre-established EBITDA minus capital expenditures target of approximately negative $60.4 million for CA and positive $12.7 million for BA. Each financial target is weighted equally at 40%. Employees other than corporate employees are paid based on their business unit's performance. Corporate-level employees, including each of our named executive officers (other than Mr. Wade), are paid based on the sum of 75% of the CA bonus payout rate plus 25% of the BA bonus payout rate, reflecting the relative size of the units at the time the goals were established. Mr. Wade's bonus is based solely on BA performance because of his role as General Manager of the BA business unit. The Compensation Committee adopted these targets and weightings in order to focus management on continuing to increase our working capital but with a metric that is easier to measure and that reduces incentives to increase current revenue at the expense of future revenue, while aligning a portion of the bonus with individual performance. The Committee also determined to increase the percentage of target below which no payout is made and reduce the upside payout rate to mitigate incentives to increase current revenue at the expense of future revenue. Accordingly, there is no payout for performance below 90% of target and the maximum bonus level will be achieved at between 120% and 150% of target. Different payment percentages apply for revenue-based targets and EBITDA minus capital expenditure targets and for CA and BA targets reflecting differences in those businesses. Bonus payout levels range from 50% at 90% of target to 200% at 130% of target for the CA portion of the bonus and 25% at 90% of target to 250% at 150% of target for the BA portion of the bonus.

The individual component is weighted at 20%, and includes certain individual performance objectives established for each named executive officer by the Compensation Committee or, in the case of named executive officers other than the Chief Executive Officer, the Chief Executive Officer. The individual performance objectives for our named executive officers were based on our overall corporate performance objectives (building a world-class organization, evaluating global expansion, going down an IPO path, implementing a technology plan, improving operational intensity and achieving budget targets, making Gogo synonymous with in-flight connectivity enabled experiences and increasing aircraft visibility in our commercial aviation business) and the actions within the executive's area of responsibility necessary to achieve those objectives. The range of payment for achievement of those objectives above and below target levels is within the discretion of the Compensation Committee.

Each of our named executive officers employed by the Company in 2011 is party to an employment agreement that provides for a minimum target bonus based on a specified percentage of their base salary. The Compensation Committee set the percentage of salary to be paid for performance at target level for Messrs. Small, Smagley, and ElDifrawi, at 100%, 75%, and 75%, respectively, which corresponds to the minimum target bonuses provided in their respective employment agreements. The percentage of salary to be paid for performance at target level for Mr. Wade was set at 50%, a 10% increase from 2010, in light of his role and level of responsibility at the Company and to appropriately compensate him for his performance in carrying out his duties and responsibilities. Mr. Chari's percentage of salary to be paid for performance at target level for 2011 was initially set at 30% (as provided in his employment agreement) and increased to 40%, effective July 2011, in light of his promotion to Senior Vice President.

Based on the achievement (for bonus plan purposes) of 2011 revenue of $86.0 million for CA (93.4% of the target bonus level, for a 83.8% payout) and $74.2 million for BA (137.6% of the target bonus level, for a 200% payout), and the achievement (for bonus plan purposes) of 2011 EBITDA minus cash capital expenditures of negative $56.9 million for CA (exceeding the target bonus level by 6.2% for a 118.6% payout) and positive $22.5 million for BA (192.7% of the target bonus level, for a 250% payout), as well as the achievement of individual performance goals set by the Compensation Committee, as discussed above, which were determined to be achieved at the 100% levels, each named executive officer received an annual incentive bonus at 126% of the target level, except for Mr. Wade, who received an annual incentive bonus at 200% of the target level because his bonus was based entirely on BA performance. The actual bonuses paid to each of our named executive officers are set forth in the "Non-Equity Incentive Plan Compensation" column of our Summary Compensation Table below.

2012 Bonuses. In March 2012, the Compensation Committee established the performance objectives for the 2012 annual bonus plan. The program for 2012 is similar to that for 2011. The 2012 bonus plan continues to include two components, one based on achievement of specified financial objectives (weighted at 80%), and the other based upon achievement of certain measurable individual objectives (weighted at 20%). Target bonus levels for 2012 are unchanged, but the maximum bonus level has been reduced to 200% of target. The financial component for 2012 will be based on attainment of pre-established EBITDA minus cash capital expenditures targets for the CA, BA and International business units and, for CA and BA, pre-established revenue targets or, for International, a pre-established aircraft under contract measure. Each financial target is weighted equally at 40%. For Messrs. Small, Smagley, ElDifrawi and Chari, the portion of their bonuses based on financial targets will be weighted based 60% on CA, 20% on BA and 20% on International. Mr. Wade's bonus will continue to be based solely on BA performance because of his role as General Manager of the BA business unit. For 2012, the individual objective component will be based 50% on CA revenue for Messrs. Small, Smagley and Chari, with the balance based on individual objectives, and 100% on CA revenue for Mr. ElDifrawi.

2008 Cash Bonus Plan

In 2009, the Company adopted a cash bonus plan to provide executives who were employed by the Company during 2008 with the payment of a cash bonus when the Company's free cash flow (defined as EBITDA less capital expenditures) first becomes positive for a fiscal quarter to provide an incentive to replace bonuses forgone when we did not have positive free cash flow. Mr. Chari is eligible to participate in the plan. He is eligible to receive a bonus amount equal to 125% of his proportionate amount of the aggregate bonus pool remaining after payout to other senior executives, as determined by management. Because free cash flow has not yet been positive for a fiscal quarter, no payments have been made under the plan.

2011 Stock Option Grants

We believe that equity-based awards align the interests of our named executive officers with the interests of our equity holders and encourage our named executive officers to focus on the long-term performance of our business. Additionally, we believe equity awards provide an important retention tool for our named executive officers, as they are subject to multi-year vesting.

In furtherance of these objectives, we adopted the Aircell Holdings Inc. Stock Option Plan (as the same may be amended from time to time, the "Stock Option Plan") in June 2010. The Stock Option Plan provides for the grant of incentive stock options and non-statutory stock options. The Compensation Committee granted options to each of our named executive officers in December 2011. At the time of the grants, we increased the number of options available for grant under the plan to 41,925 shares. Messrs. Small, Smagley, ElDifrawi, Wade and Chari received grants of 1,000, 800, 500, 800 and 700 shares, respectively. The Compensation Committee determined that 25% of the options would vest at the first anniversary of the grant date with the remainder vesting ratably on the three following anniversaries of such date. The Compensation Committee determined the number of options to be provided to each of the named executive officers by reference to the value and percentage of equity the Compensation Committee considered appropriate to incentivize the officer based on the position and responsibilities of each of the named executive officers and in light of the value of equity previously granted to the named executive officers under the Stock Option Plan and the Company's original equity program, which was adopted in 2007. Our Compensation Committee determined that the exercise price for the options would be set at a premium to the fair market value of our stock at the time of grant as determined by an independent valuation firm to give management a greater incentive to increase share value. The options granted in December 2011 and any future grants will be subject to the Company's new stock ownership guidelines. Additional information regarding these grants is found in the Summary Compensation Table and the Grants of Plan-Based Awards Table.

Employment Agreements with Named Executive Officers

We have entered into employment agreements with each of our named executive officers which include the specific terms set forth below. We believe that having employment agreements with our executives is beneficial to us because it provides retentive value, subjects the executives to key restrictive covenants, and generally gives us a competitive advantage in the recruiting process over a company that does not offer employment agreements. See "Narrative to Summary Compensation Table and Grants of Plan Based Awards Table —Employment Agreements with Named Executive Officers" for detail regarding these agreements.

Perquisites

We do not generally provide perquisites or personal benefits to our named executive officers, although included in the employment agreements we have entered into with each of Messrs. Small and ElDifrawi is a commitment to provide relocation benefits under certain circumstances.

Other Benefits

Our full time named executive officers are eligible to participate in our 401(k) benefit plan and our health and welfare plans on the same basis as our other employees.

Nonqualified Deferred Compensation

None of our named executive officers participates in or has account balances in non-qualified defined contribution plans or other deferred compensation plans maintained by us.

New Plans

The Company expects to adopt a new omnibus equity incentive plan and an annual incentive bonus plan prior to the completion of this offering to enable the Company to better align our compensation programs with those typical of companies with publicly traded securities.

Other Compensation Practices and Policies

Stock ownership guidelines. We have adopted stock ownership guidelines that will become effective upon completion of this offering. Under the guidelines, each of our executive officers will be required to maintain a minimum equity stake in the Company, determined as a multiple of the executive officer's base salary (3 times salary for our CEO and 2 times salary for each of our other named executive officers) and converted to a fixed number of shares. Additionally, each executive officer will be required to retain 50% of the net shares received through exercise of stock options, restricted stock or other stock-based compensation, granted on or after December 12, 2011, until the executive officer reaches the minimum required level of stock ownership. "Net shares" are those shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and withholding taxes.

Policy regarding the timing of equity awards. As a privately owned company, there has been no market for our common stock. Accordingly, in 2011, we had no program, plan or practice pertaining to the timing of stock option grants to executive officers coinciding with the release of material non-public information. We expect to consider implementing such a program, plan or practice after becoming a public company.

Policy regarding restatements. We do not currently have a formal policy requiring a fixed course of action with respect to compensation adjustments following later restatements of financial results. Under those circumstances, the board of directors or compensation committee thereof would evaluate whether compensation adjustments were appropriate based upon the facts and circumstances surrounding the restatement. The Company is awaiting regulatory guidance regarding claw backs of compensation under the Dodd-Frank Act and expects to implement a claw back policy after that guidance is published. Our new compensation plans will include provisions allowing the Company to claw back compensation to the extent required by applicable law or stock exchange regulations.

Tax deductibility. Our board of directors has considered the potential future effects of Section 162(m) of the Internal Revenue Code on the compensation paid to our named executive officers. Section 162(m) places a limit of $1 million on the amount of compensation that a publicly held corporation may deduct in any one year with respect to its chief executive officer and each of the next three most highly compensated executive officers (other than its chief financial officer). In general, certain performance-based compensation approved by stockholders is not subject to this deduction limit. As we are not currently publicly traded, our board of directors has not previously taken the deductibility limit imposed by Section 162(m) into consideration in making compensation decisions. We expect that following this offering, the compensation committee of our board of directors will adopt a policy that, where reasonably practicable, will seek to qualify the variable compensation paid to our named executive officers for an exemption from the deductibility limitations of Section 162(m). However, we may authorize compensation payments that do not comply with the exemptions in Section 162(m) when we believe that such payments are appropriate to attract and retain executive talent.

2011 Summary Compensation Table

The following table sets forth information regarding compensation earned by our named executive officers during the fiscal year ended December 31, 2011.

Name and Principal Position	Year	Salary($)	Bonus ($)[1]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	All Other Compensation ($)[4]	Total ($)
Michael Small	2011	600,000	—	588,180	754,392	9,800	1,952,372
President and Chief Executive Officer	2010	525,000	300,000	1,979,706	257,589	101,000	3,163,295
Norman Smagley	2011	322,250	—	470,544	304,586	—	1,097,380
Executive Vice President and Chief Financial Officer	2010	101,948	80,000	318,687	851	—	501,486
Ash ElDifrawi	2011	360,000	—	294,090	339,476	6,000	999,566
Executive Vice President and Chief Marketing Officer	2010	66,922	210,000	531,145	—	19,704	827,771
John Wade	2011	245,000	—	470,544	250,000	7,802	973,346
Executive Vice President and General Manager—Business Aviation Services							
Anand Chari	2011	237,500	—	411,726	110,015	8,282	767,523
Senior Vice President, Engineering and Chief Technology Officer							

(1) Amounts for 2010 reflect the portion of Messrs. Small's, Smagley's and ElDifrawi's annual bonuses that were guaranteed pursuant to their employment agreements with the Company, as well as a sign-on bonus paid to Mr. ElDifrawi.

(2) The amounts reported in this column are valued based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 11, "Share-Based Compensation," to the Consolidated Financial Statements included in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operation—Share-Based Compensation" for a discussion of the relevant assumptions used in calculating these amounts.

(3) Amounts awarded under the performance-based 2011 bonus plan.

(4) Amounts for 2011 reflect matching contributions under our 401(k) plan.

2011 Grants of Plan-Based Awards

Set forth below is information regarding plan-based awards granted to our named executive officers during 2011.

Name	Grant Date	Estimated Future Potential Payouts Under Non-Equity Incentive Plan Awards[1] Threshold $	Target $	Maximum $	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/share)	Grant Date Fair Value of Option Awards ($)[2]
Michael Small		356,250	600,000	1,125,000			
	12/14/2011				1,000	1,830.96	588,180
Norman Smagley		143,836	242,250	454,219			
	12/14/2011				800	1,830.96	470,544
Ash ElDifrawi		160,313	270,000	506,250			
	12/14/2011				500	1,830.96	294,090
John Wade		74,219	125,000	281,250			
	12/14/2011				800	1,830.96	470,544
Anand Chari		51,953	87,500	164,063			
	12/14/2011				700	1,830.96	411,726

(1) Represents threshold, target and maximum payout levels under our 2011 bonus plan for performance during the year ended December 31, 2011. See “Compensation Discussion and Analysis—Elements of Compensation—Annual Bonus Plan—2011 Bonuses” for a description of the plan. For amounts actually paid out under the plan, see the “Non-Equity Incentive Plan Compensation” column of our Summary Compensation Table. With respect to the portion of awards payable with respect to achievement of individual performance criteria, threshold and maximum payout levels were based on the same percentage payout levels as achievement of financial performance measures. The threshold numbers set forth above are based on achieving 0.1% above the measure for which no payment would be made.

(2) The amounts reported in this column are valued based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 11, “Share-Based Compensation,” to the Consolidated Financial Statements included in this Prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Share-Based Compensation” for a discussion of the relevant assumptions used in calculating these amounts.

Narrative to Summary Compensation Table and Grants of Plan Based Awards Table

Option Awards

During 2011, we granted options to purchase shares of our common stock to all of our named executive officers in accordance with the terms of the Stock Option Plan. See “Compensation Discussion and Analysis—Elements of Compensation—2011 Stock Option Grants.” Consistent with our Stock Option Plan, the Compensation Committee determined to set the exercise price for stock options granted to the named executive officers at a premium to the fair market value of our stock at the time of grant. The options have a ten-year term. The options vest ratably 25%, starting on the first anniversary of the grant date and continuing on each of the three following anniversaries of such date. See “Potential Payments Upon Termination or Change of Control” including the discussion under “Potential Payments Upon Termination or Change of Control—Effect of Termination or Change in Control on Options” for a discussion of the effect of termination and change in control on option vesting.

Employment Agreements

We have entered into employment agreements with each of our named executive officers. Information regarding such agreements is set forth below:

Michael Small. In July 2010, we entered into an employment agreement with Mr. Small, pursuant to which he agreed to serve as our President and Chief Executive Officer. The employment agreement set Mr. Small's annual base salary at $600,000, which salary shall be reviewed at least annually. Mr. Small's salary shall not be reduced other than as part of an overall compensation reduction at the Company that impacts the salaries of all executives, and in such case the reduction shall not exceed 10% of his then-current base salary. The employment agreement specifies that Mr. Small is eligible for an annual bonus with a target of 100% of base salary, with the amount of such bonus to be determined by the Board of Directors. The bonus is based upon the achievement of both personal and corporate performance objectives. The employment agreement also provided for a grant to Mr. Small of options to purchase 8,357 shares of Common Stock on the terms set forth in the Stock Option Plan and Mr. Small's option agreement. Mr. Small's employment agreement also provides that he is eligible to participate in all normal company benefits, including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms of such arrangements.

Mr. Small's employment is for no specific term and either the Company or Mr. Small may terminate Mr. Small's employment at any time, with or without cause. If Mr. Small's employment is terminated by the Company without cause or if Mr. Small resigns for good reason, Mr. Small will be entitled to (i) continuation of his base salary for 12 months following his termination, (ii) reimbursement for COBRA premiums due to maintain substantially equivalent health insurance coverage for 12 months following his termination, (iii) continued vesting of the options and any other equity awards then held by Mr. Small on the schedule set forth in the applicable option or other equity award agreement for 12 months following his termination, (iv) continued exercisability of any vested options and other equity awards then held by Mr. Small for 12 months following his termination, (v) payment of any earned but unpaid salary and accrued but unused paid time off, (vi) payment of any business expenses incurred but not reimbursed and (vii) payment of any approved but unpaid bonus award. The payment of (i) above shall be contingent on Mr. Small executing a general release of all claims against the Company. Mr. Small is subject to non-competition and non-solicitation covenants for one year after leaving the employment of the Company.

Norman Smagley. In September 2010, we entered into an employment agreement with Mr. Smagley, pursuant to which he agreed to serve as our Executive Vice President and Chief Financial Officer. The employment agreement set Mr. Smagley's annual base salary at $320,000, which salary shall be reviewed at least annually. Mr. Smagley's salary shall not be reduced by more than 10% of his then-current base salary unless as part of an overall compensation reduction at the Company that impacts the salaries of all executives, and shall not be reduced more than once during the term of his employment with the Company. The employment agreement specifies that Mr. Smagley is eligible for an annual bonus with a target of 75% of base salary, with the amount of such bonus to be determined by the Chief Executive Officer, subject to the approval of the Board of Directors. The bonus is based upon the achievement of both personal and corporate performance objectives. The employment agreement also provided for a grant to Mr. Smagley of options to purchase 1,200 shares of Common Stock on the terms set forth in the Stock Option Plan and Mr. Smagley's option agreement. Mr. Smagley's employment agreement also provides that he is eligible to participate in all normal company benefits, including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms of such arrangements.

Mr. Smagley's employment is for no specific term and either the Company or Mr. Smagley may terminate Mr. Smagley's employment at any time, with or without cause. If Mr. Smagley's employment is terminated by the Company without cause or if Mr. Smagley resigns for good reason, Mr. Smagley will be entitled to (i) continuation of his base salary for 12 months following his termination, (ii) reimbursement for COBRA premiums due to maintain substantially equivalent health insurance coverage for 12 months following his termination, (iii) payment of any earned but unpaid salary and accrued but unused paid time off, (iv) payment of

any business expenses incurred but not reimbursed and (v) payment of Mr. Smagley's guaranteed bonus in 2010 and any other award under the annual bonus program referred to in Mr. Smagley's employment agreement that has been approved by the Chief Executive Officer and the Company's Board of Directors, but not paid prior to termination. The payment of (i) above shall be contingent on Mr. Smagley executing a separation agreement containing a general mutual release. Mr. Smagley is subject to non-competition and non-solicitation covenants for one year after leaving the employment of the Company.

Ash ElDifrawi. In October 2010, we entered into an employment agreement with Mr. ElDifrawi, pursuant to which he agreed to serve as our Executive Vice President and Chief Marketing Officer. The employment agreement set Mr. ElDifrawi's annual base salary at $360,000, which salary shall be reviewed at least annually. Mr. ElDifrawi's salary shall not be reduced by more than 10% of his then-current base salary unless as part of an overall compensation reduction at the Company that impacts the salaries of all executives, and shall not be reduced more than once during the term of his employment with the Company. The employment agreement specifies that Mr. ElDifrawi is eligible for an annual bonus with a target of 75% of base salary, with the amount of such bonus to be determined by the Chief Executive Officer and subject to the approval of the Board of Directors. The bonus is based upon the achievement of both personal and corporate performance objectives. The employment agreement also provided for a grant to Mr. ElDifrawi of options to purchase 2,000 shares of Common Stock on the terms set forth in the Stock Option Plan and Mr. ElDifrawi's option agreement. Mr. ElDifrawi's employment agreement provides that he is eligible to participate in all normal company benefits, including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms of such arrangements. Mr. ElDifrawi's employment agreement provides that the Company will provide relocation benefits; however, such relocation benefits shall expire on the first anniversary of the date of the employment agreement. The Company will give Mr. ElDifrawi a cash gross-up for any expenses covered by the company that are not excludable from taxable income or have no offsetting tax deduction.

Mr. ElDifrawi's employment is for no specific term and either the Company or Mr. ElDifrawi may terminate Mr. ElDifrawi's employment at any time, with or without cause. If Mr. ElDifrawi's employment is terminated by the Company without cause or if Mr. ElDifrawi resigns for good reason, Mr. ElDifrawi will be entitled to (i) continuation of his base salary for 12 months following his termination, (ii) reimbursement for COBRA premiums due to maintain substantially equivalent health insurance coverage for 12 months following his termination, (iii) continued vesting of the options awarded to Mr. ElDifrawi pursuant to the employment agreement on the schedule set forth in the applicable option agreement for 12 months following his termination, (iv) continued exercisability of the vested options awarded pursuant to the employment agreement then held by Mr. ElDifrawi for 12 months following his termination, (v) payment of any earned but unpaid salary and accrued but unused paid time off, (vi) payment of any business expenses incurred but not reimbursed, (vii) payment of Mr. ElDifrawi's guaranteed bonus for 2010 and any other award under the annual bonus program referred to in his employment agreement that has been approved by the Chief Executive Officer and the Company's Board of Directors, but not paid prior to termination and (viii) the costs of senior-executive level outplacement services for one year following termination; provided that such costs shall not exceed $15,000. The payment of (i) above shall be contingent on Mr. ElDifrawi executing a separation agreement containing a general mutual release of all claims. Mr. ElDifrawi is subject to non-competition and non-solicitation covenants for one year after leaving the employment of the Company.

John Wade. We entered into an employment agreement with Mr. Wade in October 2008 and amended the agreement, effective January 1, 2009, pursuant to which he agreed to serve as our Senior Vice President and General Manager of Business Aviation Services. The employment agreement set Mr. Wade's annual base salary at $190,000, which salary shall be reviewed at least annually. Mr. Wade's salary shall not be reduced by more than 10% of his then-current base salary unless as part of an overall compensation reduction at the Company that impacts the salaries of all executives. The employment agreement specifies that Mr. Wade is eligible for an annual bonus with a target of 30% of base salary, with the amount of such bonus to be determined by the Chief Executive Officer and subject to the approval of the Board of Directors. The employment agreement also

provides for a grant to Mr. Wade of profit units under the terms set forth in the AC Management LLC Plan. 1/16th of the units vest upon grant, with the balance vesting in fifteen equal quarterly installments beginning on February 10, 2009 and ending on November 10, 2012. Such units are subject to full acceleration upon a change in control. Mr. Wade's employment agreement provides that he is eligible to participate in all normal company benefits, including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms of such arrangements.

Mr. Wade's employment is for no specific term and either the Company or Mr. Wade may terminate Mr. Wade's employment at any time, with or without cause. If Mr. Wade's employment is terminated by the Company without cause, Mr. Wade will be entitled to (i) continuation of his base salary for 6 months following his termination, (ii) reimbursement for COBRA premiums due to maintain substantially equivalent health insurance coverage for 6 months following his termination, (iii) payment of any earned but unpaid salary and accrued but unused paid time off, (iv) payment of any business expenses incurred but not reimbursed, and (v) payment of an award under the annual bonus program that has been approved by the Chief Executive Officer and the Company's Board of Directors, but not paid prior to termination. The payment of (i) and (ii) above shall be contingent on Mr. Wade executing a separation agreement containing a general release of all claims against the Company. Mr. Wade is subject to non-competition and non-solicitation covenants for six months after leaving the employment of the Company.

Anand Chari. We entered into an employment agreement with Mr. Chari in July 2006, and amended the agreement effective January 1, 2009, pursuant to which he agreed to serve as our Vice President of ABS Engineering. The employment agreement set Mr. Chari's annual base salary at $185,000, which salary shall be reviewed at least annually. Mr. Chari's salary shall not be reduced by more than 10% of his then-current base salary unless as part of an overall compensation reduction at the Company that impacts the salaries of all executives. The employment agreement, as amended, specifies that Mr. Chari is eligible for an annual bonus with a target of 30% of base salary, with the amount of such bonus to be determined by the Chief Executive Officer and subject to the approval of the Board of Directors. Mr. Chari's employment agreement provides that he is eligible to participate in all normal company benefits, including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms of such arrangements.

Mr. Chari's employment is for no specific term and either the Company or Mr. Chari may terminate Mr. Chari's employment at any time upon 30 days written notice (or pay in lieu thereof) for any reason other than cause or immediately for cause. If Mr. Chari's employment is terminated by the Company without cause, Mr. Chari will be entitled to be paid an amount equal to his net base salary at time of termination for a period of 9 months (the "Severance Payment Period"). The payment is conditioned on Mr. Chari executing a separation agreement containing a general release of all claims against the Company. In addition, during the Severance Payment Period, Mr. Chari will receive (i) reimbursement for COBRA premiums due to maintain substantially equivalent health insurance coverage, (ii) any salary earned but unpaid prior to termination and all accrued but unused personal time, (iii) any business expenses incurred but not reimbursed as of the date of termination, and (iv) any award under the annual bonus program that has been approved by the Chief Executive Officer and the Company's Board of Directors, but not paid prior to termination. Mr. Chari is subject to non-competition and non-solicitation covenants for one year after leaving the employment of the Company.

Each of the employment agreements define "cause" as the executive's (i) willful gross misconduct or gross or persistent negligence in the discharge of his duties, (ii) act of dishonesty or concealment, (iii) breach of the executive's fiduciary duty or duty of loyalty to the Company, (iv) a material breach of the confidentiality restrictions or covenants not to compete contained in the employment agreement, (v) any other material breach of the employment agreement that is not cured within 30 days, (vi) commission of repeated acts of substance abuse which are materially injurious to the Company, (vii) commission of a criminal offense involving money or other property of the Company (excluding traffic or other similar violations) or (viii) commission of a criminal offense that would constitute a felony under the laws of the state of Illinois (for Messrs. Small, Smagley and ElDifrawi) and Colorado (for Messrs. Wade and Chari) or the United States. Each of Messrs. Small's, Smagley's and

ElDifrawi's employment agreements define "good reason" as (i) a reduction by the Company in the executive's base salary beyond that permitted under the terms of the employment agreement or a reduction in his target bonus, (ii) a material diminution in the executive's duties or responsibilities, (iii) the executive ceasing to report to the Board of Directors, in the case of Mr. Small, or ceasing to report to the Company's Chief Executive Officer, in the case of Mr. Smagley, (iv) the relocation of the executive's principal place of employment to a geographic location greater than 30 miles from the Company's headquarters, in the case of Mr. Small, or to a geographic location other than the metropolitan Chicago area, in the case of Mr. Smagley, or (v) any material, uncured breach by the Company of its obligations to the executive under the employment agreement.

Outstanding Equity Awards at 2011 Year-End

The following table summarizes the outstanding equity awards held by each of our named executive officers as of December 31, 2011:

	Option Awards					Unit Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date	Number of Units That Have Not Vested (#)	Market Value of Units That Have Not Vested ($)
Michael Small	6/2/2010[2]	2,785[1]	5,572	935.18	6/2/2020		
	12/14/11		1,000[3]	1,830.96	12/14/2021		
Norman Smagley	9/7/2010[5]	300[4]	900	935.18	9/7/2020		
	12/14/11		800[3]	1,830.96	12/14/2021		
Ash ElDifrawi	11/21/2010[5]	500[6]	1,500	935.18	11/21/2020		
	12/14/11		500[3]	1,830.96	12/14/2021		
John Wade	11/10/2008					31,250[9]	22,262
	6/2/2010[8]	320[7]	480	935.18	6/2/2020		
	12/14/11		800[3]	1,830.96	12/14/2021		
Anand Chari	6/2/2010[8]	210[7]	315	935.18	6/2/2020		
	12/14/11		700[3]	1,830.96	12/14/2021		

(1) The shares underlying these options vested on February 16, 2011.
(2) 1/3 of the shares underlying these options will vest on each of February 16, 2012 and February 16, 2013.
(3) The shares underlying these options vest 25% on the first anniversary of the grant date and an additional 25% on each of the three following anniversaries of such date.
(4) The shares underlying these options vested on September 7, 2011.
(5) The shares underlying these options vest 25% at each anniversary of the employee's date of hire (September 7, 2010 for Mr. Smagley and October 25, 2010 for Mr. ElDifrawi) over the four years following the date of grant.
(6) The shares underlying these options vested on October 25, 2011.
(7) The shares underlying these options vested on June 2, 2010 and June 2, 2011.
(8) The shares underlying these options vest 20% on the grant date and an additional 20% on each of the four following anniversaries of such date.
(9) The shares underlying these units will vest in four quarterly installments in 2012, beginning on February 1, 2012. Each unit represents a proportionate interest in our common stock (approximately 0.00047 shares of common stock per unit).

Option Exercises and Stock Vested Table

The table below provides information on the named executive officers' unit awards under the AC Management LLC Plan that vested in 2011. No options were exercised in 2011.

Name	Unit Awards (1)	
	Number of Units Acquired on Vesting (#)	Value Realized on Vesting ($)
Michael Small	—	—
Norman Smagley	—	—
Ash ElDifrawi	—	—
John Wade	31,250	13,811
Anand Chari	—	—

(1) As of the vesting date, each outstanding unit represented a proportionate interest in 7,975 shares of our common stock (approximately 15 shares of our common stock for Mr. Wade). The value realized at vesting is based on a value of our common stock on the vesting date. See "—Incentive Plans —AC Management LLC Plan" below for additional information regarding the units.

Potential Payments Upon Termination or Change of Control

The following table describes the payments and benefits that each named executive officer would have been entitled to receive upon a hypothetical termination of employment or change in control as of December 31, 2011. None of our executive officers is entitled to any additional severance or other benefits upon termination of employment following a change in control.

For a description of the potential payments upon a termination pursuant to the employment agreements with our named executive officers, see "Narrative to Summary Compensation Table and Grants of Plan Based Awards Table—Employment Agreements with Named Executive Officers." For a description of the consequences of a termination of employment or a change-in-control for the stock options granted to named executive officers under our Stock Option Plan, see the disclosure that follows the tables.

Element	Involuntary Termination Without Cause ($)	Termination for Good Reason ($)	Death or Disability	Voluntary Resignation/ Retirement	Change in Control
Severance(1)					
Michael Small	600,000	600,000	—	—	—
Norman Smagley	323,000	323,000	—	—	—
Ash ElDifrawi	360,000	360,000	—	—	—
John Wade	125,000	—	—	—	—
Anand Chari	187,500	—	—	—	—
Benefits(2)					
Michael Small	16,336	16,336	—	—	—
Norman Smagley	16,336	16,336	—	—	—
Ash ElDifrawi	31,336	31,336	—	—	—
John Wade	6,777	—	—	—	—
Anand Chari	12,252	—	—	—	—

Element	Involuntary Termination Without Cause ($)	Termination for Good Reason ($)	Death or Disability	Voluntary Resignation/ Retirement	Change in Control
Value of Accelerated Stock Options[3]					
Michael Small	1,616,470	1,616,470	—	—	3,234,100
Norman Smagley	—	—	—	—	522,378
Ash ElDifrawi	290,210	290,210	—	—	870,630
John Wade	—	—	—	—	278,602
Anand Chari	—	—	—	—	182,832
Value of Accelerated Units[4]					
Michael Small	—	—	—	—	—
Norman Smagley	—	—	—	—	—
Ash ElDifrawi	—	—	—	—	—
John Wade	—	—	—	—	22,262
Anand Chari	—	—	—	—	—
Total					
Michael Small	2,232,806	2,232,806	—	—	3,234,100
Norman Smagley	339,336	339,336	—	—	522,378
Ash ElDifrawi	681,546	681,546	—	—	870,630
John Wade	131,777	—	—	—	301,384
Anand Chari	199,752	—	—	—	182,832

(1) Includes continuation of executive's salary pursuant to each executive's employment agreement as described in "Narrative to Summary Compensation Table and Grants of Plan Based Awards Table —Employment Agreements with Named Executive Officers." In each case, because there were no approved but unpaid bonuses at December 31, 2011, no bonus payment is reflected in the severance amount.

(2) Includes the cost of COBRA premiums to maintain health insurance coverage that is substantially equivalent to that which the executive received immediately prior to termination and assumes that the executive elects COBRA coverage for the full period for which he is entitled to payment or reimbursement and, for Mr. ElDifrawi, the maximum cost of outplacement services to which he is entitled, in each case, pursuant to the executive's employment agreement as described in "Narrative to Summary Compensation Table and Grants of Plan Based Awards Table —Employment Agreements with Named Executive Officers."

(3) The value of vesting of stock options is calculated by multiplying the number of unvested option shares that would accelerate by the excess of the estimated fair value of our common stock on December 31, 2011 over the applicable exercise price per share. In case of a change in control, assumes that all options were accelerated as a result of the transaction. See "— *Effect of Termination or Change in Control on Options*" below for a description of the circumstances that would trigger accelerated vesting upon a change in control. The fair value of a share of common stock on December 31, 2011 is estimated to be $1,515.60.

(4) The value of vesting of units under the AC Management LLC Plan is calculated by multiplying the number of unvested units that would accelerate by the proportionate interest of each unit in our common stock (approximately 0.00047 shares of common stock per unit) by the estimated fair value of our common stock on December 31, 2011. Only Mr. Wade has unvested units which would accelerate after a change in control pursuant to the terms of his employment agreement. See "Narrative to Summary Compensation Table and Grants of Plan Based Awards Table —Employment Agreements with Named Executive Officers" for a description of his employment agreement. The estimated fair value of a share of common stock on December 31, 2011 is $1,515.60.

Effect of Termination or Change in Control on Options. Unless the terms of an optionee's option agreement provide otherwise, if an optionee's service relationship with us ceases for any reason other than disability, death or cause, the optionee may exercise the vested portion of any option for three months after the date of termination. If an optionee's service relationship with us terminates by reason of disability or death, the optionee or the optionee's representative generally may exercise the vested portion of any option for 12 months after the date of such termination. In no event, however, may an option be exercised beyond the expiration of its term. If an optionee's service relationship with us terminates for cause, the option will terminate immediately. If Mr. Small's or Mr. ElDifrawi's employment is terminated by the Company without cause or if the executive resigns for good reason, the executive will be entitled to continued vesting of the options awarded pursuant to his employment agreement on the schedule set forth in the applicable option agreement for 12 months following his termination and continued exercisability of any vested options for 12 months following his termination.

Mr. Small's unvested options, granted on June 2, 2010 pursuant to his employment agreement, become immediately vested and exercisable upon a change in control. With respect to the option grants to the other named executive officers, as well as Mr. Small's December 2011 grant of options, in the event that a change in control occurs, the acquiring or surviving entity in the transaction may assume or substitute similar options for the outstanding options granted under the Stock Option Plan, in which case the vesting of the options is not accelerated. In such case, all of the options will become immediately vested and exercisable if an optionee's service relationship with us terminates without cause or due to death or disability after the change in control. Mr. ElDifrawi's options, granted pursuant to his employment agreement, also become vested and exercisable if he resigns for good reason following the change in control or his employment agreement is not assigned to and adopted by any successor employer. If the acquiring or surviving entity does not assume or substitute similar options for outstanding options granted under the Stock Option Plan or our common stock is exchanged solely for cash in such change in control transaction, options will generally accelerate in full in connection with the change in control and the optionee will generally receive a cash payment equal to the number of shares of common stock then subject to such option, whether or not vested and exercisable, multiplied by the excess, if any, of the greater of (A) the highest per share price offered to holders of common stock in any transaction whereby the change in control takes place or (B) the fair market value of a share of common stock on the date of occurrence of the change in control, over the exercise price per share of common stock subject to the option.

Compensation Risk Assessment

Management and the Compensation Committee assessed the risks associated with the Company's compensation practices and policies for employees, including a consideration of risk-mitigating factors in the Company's compensation practices and policies. Following this assessment, the Compensation Committee concluded that the Company's compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on the Company.

Director Compensation

Our non-employee directors did not earn any compensation for their services during 2011, other than the grant of options to Mr. Crandall in December 2011 under our Stock Option Plan. The Company is considering implementing a director compensation program in 2012.

The following table provides summary information concerning compensation paid or accrued by us to or on behalf of our non-employee directors for services rendered to us during 2011.

Name	Fees Earned or Paid in Cash($)	OptionAwards[2] ($)	All Other Compensation ($)	Total ($)
Jack W. Blumenstein[1]	—	—	—	—
Robert L. Crandall	—	176,454	—	176,454
Lawrence N. Lavine	—	—	—	—
Christopher Minnetian	—	—	—	—
Oakleigh L. Thorne	—	—	—	—
Charles C. Townsend	—	—	—	—
Harris N. Williams	—	—	—	—

(1) Jack W. Blumenstein, who served as a director of the Company since June 2006 and a director of Aircell from 1997 until 2007, passed away in February 2012.

(2) The amounts reported in this column are valued based on the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 11, “Share-Based Compensation,” to the Consolidated Financial Statements included in this Prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Share-Based Compensation” for a discussion of the relevant assumptions used in calculating these amounts. The following table sets forth, by grant date, the number of options held by each director as of December 31, 2011 and the grant date fair value of each award with respect to service as a director in 2011. The options granted in 2011 vest ratably 25% starting on the first anniversary of the grant date and an additional 25% on each of the three following anniversaries of such date. The options granted in 2010 vest ratably 20% starting on the date of grant and continuing on each of the four anniversaries following the date of grant. None of our directors held stock awards as of December 31, 2011.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Priceof Option Awards ($/share)	Grant Date Fair Value of Option Awards ($)[2]
Jack W. Blumenstein	6/2/2010	300	935.18	—
Robert L. Crandall	6/2/2010	300	935.18	—
	12/14/2011	300	1,830.96	176,454

Incentive Plans

The following are summaries of the short- and long-term incentive compensation plans applicable to our executive officers: our Stock Option Plan and AC Management LLC Plan. Prior to completion of this offering, we also expect to adopt an annual incentive bonus plan and omnibus equity incentive plan. The following summaries are qualified by reference to the full text of the respective plans, which have been filed as exhibits to this registration statement.

Aircell Holdings Inc. Stock Option Plan

Our Board adopted, and our shareholders approved, the Aircell Holdings Inc. Stock Option Plan, which we refer to as the Stock Option Plan. The Stock Option Plan became effective on June 2, 2010 and will terminate 10 years after its effective date unless earlier terminated by the Board. The purpose of our stock option plan is to

(i) to align the interests of the Company's shareholders and the recipients of options under the plan by providing a means to increase the proprietary interest of the optionees in the Company's growth and success, (ii) to advance the interests of the Company by increasing its ability to attract and retain highly competent officers, other employees, directors, consultants, agents and independent contractors and (iii) to motivate those persons to act in the long-term best interests of the Company and its shareholders.

An aggregate of 41,925 shares of our common stock were made available for grants of options under the Stock Option Plan. As of February 29, options to purchase 38,024 shares of our common stock were outstanding under the Stock Option Plan with a weighted average exercise price of $1,200.33 per share, and 3,901 shares remained available for future issuance pursuant to options to be granted under the Stock Option Plan. Shares subject to an option that are not issued due to expiration, termination, cancellation or forfeiture of an option are again available for reissuance under the Plan.

The Stock Option Plan is administered by our Compensation Committee. The Compensation Committee has the power to interpret the Plan and its application as well as establish rules and regulations for the administration of the Plan. The Compensation Committee may delegate some or all of its power to the Board, to the president and chief executive officer or to any other executive officers of the company.

In the event of any stock split, reverse stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any extraordinary distribution to holders of our common stock, the Compensation Committee may appropriately adjust the number and class of securities available under the plan, the number and class of securities subject to each outstanding option and the purchase price per security, but in the case of outstanding options without an increase in the aggregate purchase price.

Participants in the plan consist of those officers, persons expected to become officers, directors, consultants, independent contractors, agents and other employees of the Company and its subsidiaries as the Compensation Committee may select from time to time, including agents and independent contractors. Options may be incentive stock options or nonqualified stock options. An "incentive stock option" is an option that meets the requirements of Section 422 of the Code, and a "non-qualified stock option" is an option that does not meet those requirements.

The number of shares of common stock subject to an option, whether the option is an incentive stock option or a nonqualified stock option, the purchase price payable on exercise, the vesting schedule, if any, the period during which an option may be exercised and the other terms and provisions of the options are determined by the Compensation Committee. Options under the plan are subject to terms and provisions of an option agreement signed by the Company and the optionee. All options granted under the Stock Option Plan expire not more than ten years (five years in the case of an incentive stock option granted to a ten percent stockholder) after the date of grant and have an exercise price that is determined by the Compensation Committee, but which in no event is less than 100% (110% in the case of incentive stock options granted to a ten percent stockholder) of the fair market value of our common stock on the date of grant. If our common stock is not listed on an established stock exchange, payment for shares of common stock purchased on the exercise of an option must be made at the time of such exercise in cash. If our common stock is listed on such an exchange, payment may be made in cash, or unless otherwise disapproved by the Company, (i) by delivery of common stock of the Company, (ii) by withholding shares which would otherwise be delivered on exercise, (iii) in cash by a broker-dealer acceptable to the Company, or (iv) as otherwise determined by the Compensation Committee, in each case to the extent set forth in the option agreement.

All of the terms relating to the exercise, cancellation or other disposition of any option upon a termination of employment with or service to the Company of the recipient of such option, whether due to disability, death or under any other circumstances, are determined by the Compensation Committee. Options granted under the Stock Option Plan may not be transferred by the participant other than by will or pursuant to the laws of descent and distribution unless otherwise determined by the Compensation Committee.

As set forth in the applicable option agreement, upon a change in control (as defined in the Stock Option Plan), the Board may provide that: (a) some or all outstanding options shall become exercisable in full or in part, either upon the consummation of the change in control or upon a termination of employment following the change in control; (b) the option may be assumed or a substantially equivalent option may be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), with an appropriate and equitable adjustment to the number of shares subject to such option and the exercise price per share subject to such option, as determined by the Board in accordance with the Stock Option Plan; or (c) the option shall be surrendered to the Company and shall be immediately cancelled by the Company, and the optionee shall receive a cash payment from the Company in an amount equal to the number of shares of common stock then subject to such option, whether or not vested and exercisable, multiplied by the excess, if any, of the greater of (A) the highest per share price offered to holders of common stock in any transaction whereby the change in control takes place or (B) the fair market value of a share of common stock on the date of occurrence of the change in control, over the exercise price per share of common stock subject to the option.

The Board may amend or terminate the Stock Option Plan at any time, except that no amendment shall be made without shareholder approval if the amendment would (a) increase the maximum number of shares of common stock available under the Stock Option Plan, (b) effect any change inconsistent with Section 422 of the Code or (c) extend the term of the Stock Option Plan.

AC Management LLC Plan

AC Management LLC is a separate limited liability company, of which Gogo Inc. is the managing member, established solely for the purpose of granting ownership interests to our officers, other key employees and certain directors. The AC Management LLC Plan is a long-term incentive plan, under which certain directors, officers and other key employees received profit participation units in AC Management LLC. Units issued under the plan generally vest over a four-year period. There is no limit to the period of time over which participants may hold the units, although upon termination of employment, any unvested units held by the participant are forfeited. As of February 29, 2012, there were 16,966,667 authorized and 16,570,027 outstanding units under the plan, which represent a proportionate interest in 7,975 shares of common stock of the Company (or approximately 0.00047 shares of common stock per unit). Following completion of this offering, all participants in the plan will receive a proportionate distribution of common stock of the Company with respect to the number of vested units that they hold, and common stock attributable to forfeited units will be allocated among participants then currently employed by or serving as a director of the Company in amounts determined by the Compensation Committee. Common stock in respect of unvested units will be retained in escrow until the units vest, after which they will be also be paid out in common stock of the Company. Mr. Chari holds fully vested AC Management LLC units. As of February 29, 2012, Mr. Wade holds 101,562 vested and 23,438 unvested AC Management LLC units, with the unvested units expected to vest in three quarterly installments in 2012, beginning on May 10, 2012. None of the other named executive officers participate in the AC Management LLC Plan.

Compensation Committee Interlocks and Insider Participation

Lawrence N. Lavine, Oakleigh Thorne and Charles C. Townsend served as the members of our Compensation Committee in 2011. None of the members of our Compensation Committee is an officer or employee of our Company. None of our executive officers serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board of Directors or Compensation Committee. The members of our Compensation Committee (and/or certain entities affiliated with certain members) are parties to the Stockholders Agreement referred to under “Certain Relationships and Related Party Transactions—Related Party Transactions—Current Stockholders’ Agreement”, as well as the registration rights agreement described under “Description of Capital Stock.” In addition, entities affiliated with Messrs. Lavine and Thorne have engaged in certain transactions with the Company as described under “Certain Relationships and Related Party Transactions—Related Party Transactions—Bridge Notes.”

PRINCIPAL AND SELLING STOCKHOLDERS

The following table summarizes the beneficial ownership of our common stock as of February 29, 2012 for:

- each person who we know beneficially owns more than 5% of our common stock;
- each of our directors;
- each of our named executive officers;
- all directors and executive officers as a group; and
- each selling stockholder.

In accordance with SEC rules, beneficial ownership includes sole or shared voting or investment power with respect to securities and includes the shares issuable pursuant to stock options that are exercisable within 60 days of the determination date, which in the case of the following table is February 29, 2012. Shares issuable pursuant to stock options are deemed outstanding for computing the percentage of the person holding such options but are not outstanding for computing the percentage of any other person. Under these rules, one or more persons may be a deemed beneficial owner of the same securities and a person may be deemed a beneficial owner of securities to which such person has no economic interest. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

The percentage of beneficial ownership prior to this offering is based on 662,619 shares of common stock outstanding as of February 29, 2012, (i) assuming the conversion of all outstanding shares of our Class A Senior Convertible Preferred Stock, Class B Senior Convertible Preferred Stock and Junior Convertible Preferred Stock (including Class A and Class B senior convertible preferred stock return) to common stock in connection with this offering and (ii) including 7,975 shares of common stock issued to AC Management LLC, an affiliate of the Company whose units are owned by members of our management. The percentage of beneficial ownership following this offering is based on shares of common stock outstanding after the closing of this offering.

Information with respect to beneficial ownership has been furnished by each director, officer, or beneficial owner of more than 5% of the shares of our common stock. Except as otherwise noted below, the address for each individual listed on the table is c/o Gogo Inc. 1250 N. Arlington Heights Rd., Suite 500, Itasca, IL 60143.

	Shares Beneficially Owned Prior to the Offering and after the Offering (Assuming No Exercise of the Overallotment Option)				Shares Beneficially Owned After the Offering (Assuming the Overallotment Option is Exercised in Full)	
Name of Beneficial Owner	Number	Percentage before the Offering	Number	Percentage after the Offering	Number	Percentage
5% Stockholders						
Entities affiliated with Ripplewood Holdings[1]	252,299	38.1%				
Oakleigh Thorne and affiliated entities[2]	222,761	33.6%				
AC Partners LLLP[3]	39,768	6.0%				
Directors and Named Executive Officers						
Ronald T. LeMay[4][7][8]	19,142	2.9%				
Michael Small[8]	6,050	0.9%				
Norman Smagley[8]	300	*				
Ash ElDifrawi[8]	500	0.1%				
John Wade[7][8]	320	*				
Anand Chari[7][8]	210	*				
Jack W. Blumenstein[5][8]	7,855	1.2%				
Robert L. Crandall[7][8]	120	*				
Lawrence N. Lavine[6]	—	—				
Christopher Minnetian[6]	—	—				
Oakleigh Thorne[2]	222,761	33.6%				
Charles C. Townsend	12,768	1.9%				
Harris N. Williams[6]	—	—				
All directors and executive officers as a group (21 persons)[7][8][9]	271,397	40.3%				
Other Selling Stockholders:						

* Less than 0.1%

(1) Represents shares of our common stock held by AC Acquisition I LLC and AC Acquisition II LLC, collectively the Ripplewood Holdings funds. Excludes shares of common stock owned by other parties to the current stockholders' agreement prior to the offering of which Ripplewood Holdings may be deemed to share beneficial ownership. The address for each of the Ripplewood entities is c/o Ripplewood Holdings Inc., One Rockefeller Plaza, 32nd Floor, New York, NY 10020.

(2) Includes 5,726 shares of our common stock held by the Oakleigh B. Thorne 2009 3 Year Annuity Trust.

Includes 3,983 shares of our common stock held by the Caroline A. Wamsler Trust created under the Honore T. Wamsler September 11, 1984 Trust, 3,958 shares of our common stock held by the Irene W. Banning Trust created under the Honore T. Wamsler September 11, 1984 Trust, 11,500 shares of common stock held by the Oakleigh L. Thorne Trust Under Agreement dated 12/15/76 and 3,703 shares of our common stock held by the Pauline W. Joerger Trust created under the Honore T. Wamsler September 11, 1984 Trust. Mr. Thorne is a co-trustee of each of the foregoing trusts and each of the trusts have entered into a service agreement with Thorndale Farm, LLC, of which Mr. Thorne is the CEO. As such, Mr. Thorne may be deemed to have beneficial ownership of the shares held by each such trust. Mr. Thorne disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

Includes 27,077 shares of our common stock held by the Trust Under Will of O.L. Thorne FBO Charlotte T. Bordeaux, 24,040 shares of our common stock held by the Trust Under Will of O.L. Thorne FBO Oakleigh B. Thorne, 7,948 shares of our common stock held by the Oakleigh L. Thorne Trust Under Agreement FBO Oakleigh B. Thorne, 9,375 shares of our common stock held by the Oakleigh L. Thorne Trust Under Agreement FBO Charlotte T. Bordeaux, 5,283 shares of our common stock held by the Oakleigh B. Thorne Dynasty Trust 2011, 2,765 shares of our common stock held by the 2007 Restatement of the Oakleigh B. Thorne Trust dated October 12, 1995 and 2,161 shares of our common stock held by the Charlotte Bordeaux Dynasty Trust 2011. Mr. Thorne is the co-trustee of each of the foregoing trusts and as such may be deemed to have beneficial ownership of the shares held by such trusts. Mr. Thorne disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

Includes 3,365 shares of our common stock held by the Oakleigh B. Thorne 2011 3 Year Annuity Trust and 6,157 shares of our common stock held by the 2005 Restatement of the Oakleigh Thorne Trust dated June 23, 1997. Mr. Thorne is the trustee of each of the foregoing trusts and as such may be deemed to have beneficial ownership of the shares held by such trusts. Mr. Thorne disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

Includes 52,348 shares of our common stock held by TACA Thorne LLC and 51,716 shares of our common stock held by TACA II Thorne LLC. The shares owned directly by each of TACA Thorne LLC and TACA II Thorne LLC are beneficially owned indirectly by OTAC (Thorne) LLC, the managing member of TACA Thorne LLC and TACA II Thorne LLC. Mr. Thorne is the manager and sole member of OTAC LLC and as such may be deemed to have beneficial ownership of the shares held by TACA Thorne LLC and TACA II Thorne LLC. Mr. Thorne disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

Includes 81 shares of our common stock held by Irene Banning, 280 shares held by Pauline Joerger and 1,298 shares held by the Oakleigh Thorne GST Trust III. Each of the foregoing holders has entered into a service agreement with Thorndale Farm, LLC, of which Mr. Thorne is the CEO. As such, Mr. Thorne may be deemed to have beneficial ownership of the shares held by such entities. Mr. Thorne disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

Excludes shares of our common stock held by AC Partners LLLP of which Mr. Thorne may be deemed to share beneficial ownership. Blumenstein/Thorne Information Partners II, L.P. and Blumenstein/Thorne Aircell Partners, L.P. are each the general partner of AC Partners LLLP and as such may be deemed to have beneficial ownership of the shares held by AC Partners LLLP. Blumenstein/Thorne Information Partners L.L.C. is the general partner of Blumenstein/Thorne Information Partners II, L.P., Blumenstein/Thorne Aircell Partners, L.P. and BTIP II 2008, L.P. Mr. Thorne holds a 50% voting interest in Blumenstein/Thorne Information Partners L.L.C. and as such may be deemed to share beneficial ownership. Mr. Thorne disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein.

Excludes shares of common stock owned by other parties to the current stockholders' agreement prior to the offering of which the Thorne Entities may be deemed to share beneficial ownership. Mr. Thorne is a director of Gogo and co-Founder of Blumenstein/Thorne Information Partners, L.L.C.

The address of each of the foregoing persons or entities is c/o Thorndale Farm, LLC, PO Box 258, Millbrook, NY 12545.

(3) Excludes shares of our common stock held by parties to the current stockholders' agreement of which AC Partners LLLP may be deemed to share beneficial ownership. The address for AC Partners LLLP is c/o Blumenstein/Thorne Information Partners II, L.P., 270 East Westminster Avenue, Lake Forest, IL 60045.

(4) Excludes shares of our common stock held by parties to the current stockholders' agreement of which Mr. LeMay may be deemed to share beneficial ownership. Mr. LeMay disclaims beneficial ownership of the shares held by the parties to the current stockholders' agreement.

(5) Jack W. Blumenstein passed away on February 29, 2012. The effect of Mr. Blumenstein's passing on certain of the entities which hold shares of our common stock and with which Mr. Blumenstein was affiliated remains under review as of the date hereof.

(6) Excludes shares of our common stock held by the Ripplewood Holdings funds, each an affiliate of Ripplewood Holdings, of which they may be deemed to share beneficial ownership. Messrs. Lavine, Minnetian and Williams are directors of Gogo and managing directors of Ripplewood Holdings L.L.C. Such persons disclaim beneficial ownership of the shares held by the Ripplewood Holdings funds.

(7) Excludes the director or officer's proportionate interest in the following number of shares held by AC Management LLC: Mr. LeMay, 2,742 shares; Mr. Crandall, 78 shares; Mr. Chari, 196 shares; Mr. Wade, 48 shares; all directors and officers as a group, 3,684 shares.

(8) Includes shares of common stock issuable upon the exercise of options granted pursuant to our Stock Option Plan, which were unexercised as of February 29, 2012 but were exercisable within a period of 60 days from such date. These amounts include the following number of shares of common stock for the following individuals: Mr. LeMay 1,672; Mr. Small 5,516; Mr. Smagley 300; Mr. ElDifrawi 500; Mr. Chari 210; Mr. Wade 320; Mr. Blumenstein 120; Mr. Crandall 120; all executive officers and directors as a group 10,076.

(9) Includes shares of common stock held by Jack W. Blumenstein, a former director of Gogo, who passed away on February 29, 2012, and certain entities with which Mr. Blumenstein was affiliated. The effect of Mr. Blumenstein's passing on certain of the entities which hold shares of our common stock and with which Mr. Blumenstein was affiliated remains under review as of the date hereof.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Review and Approval of Transactions with Related Persons

Upon completion of this offering, we intend to adopt a related person transactions policy pursuant to which our executive officers, directors and principal stockholders, including their immediate family members, will not be permitted to enter into a related person transaction with us without the consent of our Audit Committee, another independent committee of our Board or the full Board. Any request for us to enter into a transaction with an executive officer, director, principal stockholder or any of such persons' immediate family members, in which the amount involved exceeds $120,000, will be required to be presented to our Audit Committee for review, consideration and approval. All of our directors, executive officers and employees will be required to report to our Audit Committee any such related person transaction. In approving or rejecting the proposed transaction, our Audit Committee will take into account, among other factors it deems appropriate, whether the proposed related person transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, the extent of the related person's interest in the transaction and, if applicable, the impact on a director's independence. Under the policy, if we should discover related person transactions that have not been approved, our Audit Committee will be notified and will determine the appropriate action, including ratification, rescission or amendment of the transaction. A copy of our related person transactions policy will be available on our website.

Related Party Transactions

In addition to the registration rights agreement described elsewhere in this prospectus (see "Description of Capital Stock"), the following is a description of each transaction and series of transactions since January 1, 2009 and each currently proposed transaction to which we were a party or will be a party in which:

- the amounts involved exceed or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our common stock or our preferred stock, or any member of their immediate family or person sharing their household, had or will have a direct or indirect material interest.

Employment Agreements and Indemnification Agreements

The Company is party to various employment agreements with its directors and executive officers. See "Executive Compensation—Compensation Discussion and Analysis—Employment Agreements" for more information regarding these employment agreements.

Prior to the completion of this offering, we plan to enter into indemnification agreements with each of our directors and executive officers and certain other key employees. See "Description of Capital Stock—Limitations on Liability and Indemnification" for more information regarding these agreements.

Current Stockholders' Agreement

All owners of shares of our company's stock are parties to the current stockholders' agreement, dated as of December 31, 2009, as subsequently amended. The current stockholders' agreement contains, among other things, provisions relating to the company's governance, transfer restrictions, tag-along rights, drag-along rights, preemptive rights, related party transaction procedures and confidentiality restrictions. The current stockholders' agreement also provides that certain stockholders have the right to appoint certain members of the company's board of directors, provided that those stockholders maintain minimum ownership requirements of the company's common stock. The current stockholders' agreement will terminate in accordance with its terms upon the closing of this offering.

Bridge Notes

During fiscal year 2009, we issued $207.8 million of Senior Subordinated Secured Convertible Promissory Notes, which we refer to as our Bridge Notes, primarily to parties that are members, or whose affiliates are members, of our Board of Directors. Such Bridge Notes were converted into preferred stock as part of our corporate restructuring on December 31, 2009. The following table presents the amount of Bridge Notes that were issued to members, or affiliates of members, of our Board of Directors as well as the number of shares of preferred stock such Bridge Notes were converted into on December 31, 2009 and the number of shares of common stock such preferred stock will convert into upon consummation of this offering:

Name	Bridge Notes ($)	Class A Preferred Stock (#) *	Class B Preferred Stock (#) *	Converted into shares of Common Stock (#)
Entities affiliated with Oakleigh Thorne	88,845,104	—	91,463,478	
Entities affiliated with Ripplewood Holdings	85,000,000	—	87,243,114	
Entities affiliated with Jack W. Blumenstein[1]	13,777,515	—	14,207,974	
AC Partners LLLP	2,240,829	2,343,281	—	
Ron LeMay	15,000,000	15,354,505	—	
Total	204,863,448	17,697,786	192,914,566	

* On December 31, 2009, all principal and interest accrued on the Bridge Notes were converted into shares of our Class A or Class B Senior Convertible Preferred Stock.

1 Jack W. Blumenstein passed away on February 29, 2012.

DESCRIPTION OF CAPITAL STOCK

General

Upon the closing of this offering, our authorized capital stock will consist of shares of common stock, par value $0.0001 per share and shares of undesignated preferred stock, par value $ per share. Upon the closing of this offering there will be shares of our common stock issued and outstanding not including shares of our common stock issuable upon exercise of outstanding stock options and shares of common stock held by AC Management LLC, an affiliate of the Company whose units are owned by members of our management.

The following descriptions of our capital stock, amended and restated certificate of incorporation and amended and restated bylaws are intended as summaries only and are qualified in their entirety by reference to our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the completion of this offering and are filed as exhibits to the registration statement, of which this prospectus forms a part, and to the applicable provisions of the Delaware General Corporation Law. The descriptions of our common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering.

Common Stock

Holders of common stock will be entitled:

- to cast one vote for each share held of record on all matters submitted to a vote of the stockholders;
- to receive, on a pro rata basis, dividends and distributions, if any, that the board of directors may declare out of legally available funds, subject to preferences that may be applicable to preferred stock, if any, then outstanding; and
- upon our liquidation, dissolution or winding up, to share equally and ratably in any assets remaining after the payment of all debt and other liabilities, subject to the prior rights, if any, of holders of any outstanding shares of preferred stock.

Any dividends declared on the common stock will not be cumulative.

The holders of our common stock will not have any preemptive, cumulative voting, subscription, conversion, redemption or sinking fund rights. The common stock will not be subject to future calls or assessments by us. Except as otherwise required by law, holders of the common stock will not be entitled to vote on any amendment or certificate of designation relating to the terms of any series of preferred stock if the holders of the affected series are entitled to vote on such amendment or certificate of designation under the certificate of incorporation.

Before the date of this prospectus, there has been no public market for our common stock.

Preferred Stock

Upon completion of this offering, under our amended and restated certificate of incorporation, our Board of Directors will have the authority, without further action by our stockholders, except as described below, to issue up to shares of preferred stock in one or more series and to fix the voting powers, designations, preferences and the relative participating, optional or other special rights and qualifications, limitations and restrictions of each series, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series. Upon completion of the offering, no shares of our authorized preferred stock will be outstanding. Because the Board of Directors will have the power to establish the preferences and rights of the shares of any additional series of preferred stock, it may afford holders of any

preferred stock preferences, powers and rights, including voting and dividend rights, senior to the rights of holders of the common stock, which could adversely affect the holders of the common stock and could delay, discourage or prevent a takeover of us even if a change of control of our company would be beneficial to the interests of our stockholders.

Registration Rights

On December 31, 2009, we entered into a registration rights agreement, or the "Registration Rights Agreement," with certain of our stockholders party thereto. The following description of the terms of the Registration Rights Agreement is intended as a summary only and is qualified in its entirety by reference to the Registration Rights Agreement filed as an exhibit to the registration statement of which this prospectus is a part. The registration of shares of our common stock pursuant to the exercise of registration rights described below would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts and commissions and certain counsel or advisor fees as described therein, of the shares registered pursuant to the demand and piggyback registrations described below.

The demand and piggyback registration rights described below will commence 180 days after the closing of this offering and with respect to shareholders who held our Class A Senior Convertible Preferred Stock prior to it being converted into our common stock will be in effect for the following eighteen months, while the registration rights for our other stockholders with such rights shall continue perpetually. We are not required to effect more than two demand registrations in any 12-month period or any demand registration within 180 days following the date of effectiveness of any other Registration Statement. If the Board of Directors (or an authorized committee thereof), in its reasonable good faith judgment determines that the filing of a Registration Statement will materially affect a significant transaction or would force the company to disclose confidential information which is adverse to the Company's interest, then the Board of Directors may delay a required Registration Filing for periods of up to 90 days, so long as the periods do not aggregate to more than 120 days in a twelve-month period. Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include.

Demand Registration Rights. Under the terms of the Registration Rights Agreement, the holders of shares of our common stock may, under certain circumstances and provided they meet certain thresholds described in the Registration Rights Agreement, make a written request to us for the registration of the offer and sale of all or part of the shares subject to such registration rights, or Registrable Securities. If we are eligible to file a registration statement on Form S-3 or any successor form with similar "short-form" disclosure requirements, the holders of Registrable Securities may make a written request to us for the registration of the offer and sale of all or part of the Registrable Securities provided that the Registrable Securities to be registered under such short-form registration have an aggregate market value, based upon the offering price to the public, equal to at least $15.0 million.

Piggyback Registration Rights. If we register the offer and sale of any of our securities (other than a registration statement relating to an initial public offering or on Form S-4 or S-8 or any successor form for securities to be offered in a transaction of the type referred to in Rule 145 under the Securities Act or to employees of the Company pursuant to any employee benefit plan, respectively) either on our behalf or on the behalf of other security holders, the holders of the Registrable Securities under the Registration Rights Agreement are entitled to include their Registrable Securities in the registration subject to certain exceptions relating to employee benefit plans and mergers and acquisitions. The managing underwriters of any underwritten offering may limit the number of Registrable Securities included in the underwritten offering if the underwriters believe that including these shares would have a materially adverse effect on the offering. If the number of Registrable Securities is limited by the managing underwriter, the securities to be included first in the registration will depend on whether we or certain holders of our securities initiate the Piggyback registration. If we initiate the Piggyback registration, we are required to include in the offering (i) first, the securities we propose to sell and

(ii) second, the Registrable Securities requested to be included in such registration, pro rata among the holders of such Registrable Securities on the basis of the number of Registrable Securities owned by each such holder. If the holder of Registrable Securities initiates the Piggyback registration, it is required to include in the offering (i) first, the Registrable Securities requested to be included in such registration, pro rata among the holders of such Registrable Securities on the basis of the number of Registrable Securities owned by each such holder and (ii) second, the securities we propose to sell.

Certain Certificate of Incorporation, By-Law and Statutory Provisions

The provisions of our amended and restated certificate of incorporation and amended and restated bylaws and of the Delaware General Corporation Law summarized below may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that you might consider in your best interest, including an attempt that might result in your receipt of a premium over the market price for your shares. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which could result in an improvement of their terms.

***Classified Board of Directors*.** Upon completion of this offering, in accordance with the terms of our amended and restated certificate of incorporation and amended and restated bylaws, our Board of Directors will be divided into three classes, class I, class II and class III, with members of each class serving staggered three-year terms. Our amended and restated certificate of incorporation provides that the authorized number of directors may be changed only by resolution of the Board of Directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. Our amended and restated certificate of incorporation and our amended and restated bylaws also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least a majority of our voting stock, and that any vacancy on our Board of Directors, including a vacancy resulting from an enlargement of our Board of Directors, may be filled only by vote of a majority of our directors then in office. Our classified board of directors could have the effect of delaying or discouraging an acquisition of us or a change in our management.

***Special Meetings of Stockholders*.** Our amended and restated bylaws will provide that a special meeting of stockholders may be called only by the chairman of our Board of Directors or by a resolution adopted by a majority of our Board of Directors. Stockholders will not be permitted to call a special meeting of stockholders, to require that the chairman call such a special meeting, or to require that our Board request the calling of a special meeting of stockholders, which may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority of our capital stock to take any action, including the removal of directors.

No Stockholder Action by Written Consent. Our amended and restated certificate of incorporation will provide that stockholder action may be taken only at an annual meeting or special meeting of stockholders and may not be taken by written consent in lieu of a meeting, unless the action to be taken by written consent of stockholders and the taking of this action by written consent has been expressly approved in advance by the Board of Directors. Failure to satisfy any of the requirements for a stockholder meeting could delay, prevent or invalidate stockholder action.

***Stockholder Advance Notice Procedure*.** Our amended and restated bylaws will establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before an annual meeting of our stockholders. The amended and restated bylaws will provide that any stockholder wishing to nominate persons for election as directors at, or bring other business before, an annual meeting must deliver to our secretary a written notice of the stockholder's intention to do so. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of

our company. To be timely, the stockholder's notice must be delivered to or mailed and received by us not less than 90 days nor more than 120 days before the anniversary date of the preceding annual meeting, except that if the annual meeting is set for a date that is not within 30 days before or 60 days after such anniversary date, we must receive the notice not later than the close of business on the fifth day following the day on which we provide the notice or public disclosure of the date of the meeting. The notice must include the following information:

- the name and address of the stockholder who intends to make the nomination and the name and address of the person or persons to be nominated or the nature of the business to be proposed;
- a representation that the stockholder is a holder of record of our capital stock entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons or to introduce the business specified in the notice;
- if applicable, a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons, naming such person or persons, pursuant to which the nomination is to be made by the stockholder;
- such other information regarding each nominee or each matter of business to be proposed by such stockholder as would be required to be included in a proxy statement filed under the SEC's proxy rules if the nominee had been nominated, or intended to be nominated, or the matter had been proposed, or intended to be proposed, by the board of directors;
- if applicable, the consent of each nominee to serve as a director if elected; and
- such other information that the board of directors may request in its discretion.

Limited Ownership by Foreign Entities

The Communications Act and FCC regulations impose restrictions on foreign ownership of FCC licensees. These requirements generally forbid more than 20% ownership or control of an FCC licensee by non-U.S. citizens directly and more than 25% ownership of a licensee indirectly (e.g., through a parent company) by non-U.S. citizens. Since we serve as a holding company for our FCC licensee subsidiary, AC BidCo LLC, we are effectively restricted from having more than 25% of our stock owned or voted directly or indirectly by foreign individuals or entities, including corporations, partnerships or limited liability companies. The FCC may, in certain circumstances and upon application for prior approval by the FCC, authorize foreign ownership in the licensee's parent in excess of these percentages if the FCC finds it to be in the public interest. Our corporate charter and bylaws include provisions that permit our board of directors to take certain actions in order to comply with FCC regulations regarding foreign ownership, including but not limited to, a right to redeem shares of common stock from non-U.S. citizens.

To the extent necessary to comply with the Communications Act and FCC rules and policies, our board of directors may (i) redeem shares of our common stock sufficient to eliminate any violation of FCC rules and regulations on the terms and conditions set forth in our amended and restated certificate of incorporation; (ii) take any action it believes necessary to prohibit the ownership or voting of more than 25% of our outstanding capital stock in the aggregate by or for the account of non-United States citizens or their representatives or by a foreign government or representative thereof or by any entity organized under the laws of a foreign country (collectively, "Aliens"), or by any other entity (a) that is subject to or deemed to be subject to control by Aliens on a de jure or de facto basis or (b) owned by, or held for the benefit of Aliens in a manner that would cause Gogo Inc. or AC BidCo LLC to be in violation of the Communications Act or FCC regulations; (iii) prohibit any transfer of our stock which we believe could cause more than 25% of our outstanding capital stock in the aggregate to be owned or voted by or for persons or entities identified in the foregoing clause (i); and (iv) prohibit the ownership, voting or transfer of any portion of our outstanding capital stock to the extent the ownership, voting or transfer of such portion would cause Gogo Inc. or AC BidCo LLC to violate or would otherwise result in violation of any provision of the Communications Act or FCC regulations.

Limitations on Liability and Indemnification

Our amended and restated certificate of incorporation will contain provisions permitted under Delaware General Corporation Law relating to the liability of directors. These provisions will eliminate a director's personal liability for monetary damages resulting from a breach of fiduciary duty, except in circumstances involving:

- any breach of the director's duty of loyalty;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law;
- under Section 174 of the Delaware General Corporation Law (unlawful dividends); or
- any transaction from which the director derives an improper personal benefit.

The principal effect of the limitation on liability provision is that a stockholder will be unable to prosecute an action for monetary damages against a director unless the stockholder can demonstrate a basis for liability for which indemnification is not available under the Delaware General Corporation Law. These provisions, however, should not limit or eliminate our rights or any stockholder's rights to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of director's fiduciary duty. These provisions will not alter a director's liability under federal securities laws. The inclusion of this provision in our amended and restated certificate of incorporation may discourage or deter stockholders or management from bringing a lawsuit against directors for a breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited us and our stockholders.

Our amended and restated bylaws will require us to indemnify and advance expenses to our directors and officers to the fullest extent not prohibited by the Delaware General Corporation Law and other applicable law, except in the case of a proceeding instituted by the director without the approval of our Board. Our amended and restated bylaws will provide that we are required to indemnify our directors and executive officers, to the fullest extent permitted by law, for all judgments, fines, settlements, legal fees and other expenses incurred in connection with pending or threatened legal proceedings because of the director's or officer's positions with us or another entity that the director or officer serves at our request, subject to various conditions, and to advance funds to our directors and officers to enable them to defend against such proceedings. To receive indemnification, the director or officer must have been successful in the legal proceeding or have acted in good faith and in what was reasonably believed to be a lawful manner in our best interest and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Prior to the completion of this offering, we expect to enter into an indemnification agreement with each of our directors and executive officers. The indemnification agreement will provide our directors and executive officers with contractual rights to the indemnification and expense advancement rights provided under our bylaws, as well as contractual rights to additional indemnification as provided in the indemnification agreement.

Market Listing

We intend to apply to list our common stock on the NASDAQ Global Market under the symbol "GOGO."

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be .

SHARES AVAILABLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our common stock. Sales of substantial amounts of our common stock in the public market could adversely affect prevailing market prices of our common stock. Some shares of our common stock will not be available for sale for a certain period of time after this offering because they are subject to contractual and legal restrictions on resale some of which are described below. Sales of substantial amounts of common stock in the public market after these restrictions lapse, or the perception that these sales could occur, could adversely affect the prevailing market price and our ability to raise equity capital in the future.

Sales of Restricted Securities

After this offering, shares of our common stock will be outstanding. Of these shares, all of the shares sold in this offering will be freely tradable without restriction under the Securities Act, unless purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. The remaining shares of our common stock that will be outstanding after this offering are "restricted securities" within the meaning of Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or are sold pursuant to an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which are summarized below. Subject to the lock-up agreements described below, shares held by our affiliates that are not restricted securities or that have been owned for more than one year may be sold subject to compliance with Rule 144 of the Securities Act without regard to the prescribed one-year holding period under Rule 144.

Lock-up Agreements

All of our directors and executive officers and the holders of substantially all of our securities have signed lock-up agreements under which they have agreed not to sell, transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock without the prior written consent of each of (i) our board of directors and (ii) only following the prior written consent of our board of directors, Morgan Stanley & Co. LLC for a period of 180 days, subject to possible extension under certain circumstances, after the date of this prospectus. These agreements are described below under "Underwriting."

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, a person who is not our affiliate and has not been our affiliate at any time during the preceding three months will be entitled to sell any shares of our common stock that such person has beneficially owned for at least six months, including the holding period of any prior owner other than one of our affiliates, without regard to volume limitations. Sales of our common stock by any such person would be subject to the availability of current public information about us if the shares to be sold were beneficially owned by such person for less than one year.

In addition, under Rule 144, a person may sell shares of our common stock acquired from us immediately upon the closing of this offering, without regard to volume limitations or the availability of public information about us, if:

- the person is not our affiliate and has not been our affiliate at any time during the preceding three months; and
- the person has beneficially owned the shares to be sold for at least one year, including the holding period of any prior owner other than one of our affiliates.

Approximately shares of our common stock that are not subject to the lock-up agreements described above will be eligible for sale under Rule 144 immediately upon the closing of this offering.

Beginning 90 days after the date of this prospectus, and subject to the lock up agreements described above, our affiliates who have beneficially owned shares of our common stock for at least six months, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering, assuming an initial public offering price of $ per share (which is the mid-point of the price range set forth on the cover page of this prospectus); and
- the average weekly trading volume in our common stock on the NASDAQ Global Market during the four calendar weeks preceding the date of filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Any of our employees, officers or directors who acquired shares under a written compensatory plan or contract may be entitled to sell them in reliance on Rule 701. Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that non-affiliates may sell these shares in reliance on Rule 144 without complying with the holding period, public information, volume limitation or notice provisions of Rule 144. All holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling those shares. However, all shares issued under Rule 701 are subject to lock-up agreements and will only become eligible for sale when the 180-day lock-up agreements expire.

Equity Incentive Plans

Prior to completion of this offering, we had two employee share-based incentive plans: AC Management LLC Plan and The Aircell Holdings Inc. Stock Option Plan. We expect to adopt a new omnibus equity incentive plan, prior to the completion of this offering, to enable the Company to better align our compensation programs with those typical of companies with publicly traded securities

As of February 29, 2012, we had outstanding 38,024 options to purchase shares of common stock, of which 11,932 options to purchase shares of common stock were vested, and 7,975 shares were held under the AC Management LLC Plan. Following this offering, we intend to file one or more registration statements on Form S-8 under the Securities Act to register all of the shares of common stock issuable upon exercise of outstanding options as well as all shares of our common stock reserved for future issuance under our equity plans. Please see “Executive Compensation—Incentive Plans” for additional information regarding these plans. Shares of our common stock issued under the S-8 registration statement will be available for sale in the public market, subject to the Rule 144 provisions applicable to affiliates, and subject to any vesting restrictions and lock-up agreements applicable to these shares.

Registration Rights

On the date beginning 180 days after the date of this prospectus, the holders of approximately shares of our common stock, or their transferees, will be entitled to certain rights with respect to the registration of those shares under the Securities Act. For a description of these registration rights, please see “Description of Capital Stock—Registration Rights.” If these shares are registered, they will be freely tradable without restriction under the Securities Act.

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a discussion of the material U.S. federal income and estate tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (as defined below) that purchase our common stock pursuant to this offering and hold such common stock as a capital asset within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based on the Code, the U.S. Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion does not address all of the U.S. federal tax considerations that may be relevant to specific Non-U.S. Holders in light of their particular circumstances or to Non-U.S. Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, brokers, dealers or traders in securities, commodities or currencies or other Non-U.S. Holders that mark their securities to market for U.S. federal income tax purposes, foreign governments, international organizations, controlled foreign corporations, passive foreign investment companies, tax-exempt entities, certain former citizens or residents of the United States, persons deemed to sell our common stock under the constructive sale provisions of the Code, or Non-U.S. Holders that hold our common stock as part of a straddle, hedge, conversion or other integrated transaction). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal gift or alternative minimum tax considerations.

As used in this discussion, the term "Non-U.S. Holder" means a beneficial owner of our common stock that is for U.S. federal income tax purposes:

- an individual who is neither a citizen nor a resident of the United States;
- a corporation that is not created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate that is not subject to U.S. federal income tax on income from non-U.S. sources which is not effectively connected with the conduct of a trade or business within the United States; or
- a trust unless (i) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all of its substantial decisions or (ii) it has in effect a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If an entity treated as a partnership for U.S. federal income tax purposes invests in our common stock, the U.S. federal income tax considerations relating to such investment will depend in part upon the status and activities of such entity and the particular partner and upon certain determinations made at the partner level. Any such entity should consult its own tax advisor regarding the U.S. federal tax considerations applicable to it and its partners relating to the purchase, ownership and disposition of our common stock.

PERSONS CONSIDERING AN INVESTMENT IN OUR COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME, ESTATE, GIFT AND OTHER TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Distributions on Common Stock

As described in the section entitled "Dividend Policy," we do not currently expect to declare or pay dividends on our common stock for the foreseeable future. Subject to the discussion below under "—Payments to Foreign Financial Institutions and Non-financial Foreign Entities" and "—Information Reporting and Backup Withholding", if we make a distribution of cash or other property (other than certain *pro rata* distributions of our common stock) in respect of a share of our common stock, the distribution will be treated as a dividend to the

extent it is paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess generally will be treated first as a tax-free return of capital to the extent of the Non-U.S. Holder's tax basis in such share of our common stock, and then as gain realized on the sale or other disposition of the common stock and will be treated as described under the section entitled "—Sale, Exchange or Other Disposition of Common Stock" below.

Distributions treated as dividends on our common stock that are paid to or for the account of a Non-U.S. Holder and are not effectively connected with a U.S. trade or business conducted by such Non-U.S. Holder generally will be subject to U.S. federal withholding tax at a rate of 30%, or at a lower rate if provided by an applicable tax treaty and the Non-U.S. Holder provides the documentation (generally, Internal Revenue Service ("IRS") Form W-8BEN) required to claim benefits under such tax treaty to the applicable withholding agent prior to the payment of the dividends. Non-U.S. Holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If, however, a dividend is effectively connected with the conduct of a trade or business in the United States by a Non-U.S. Holder (and, if required by an applicable tax treaty that a Non-U.S. Holder relies upon, is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States), such dividend generally will not be subject to the 30% U.S. federal withholding tax if such Non-U.S. Holder provides the appropriate documentation (generally, IRS Form W-8ECI) to the applicable withholding agent. Instead, such Non-U.S. Holder generally will be subject to U.S. federal income tax on such dividend in substantially the same manner as a U.S. holder (except as provided by an applicable tax treaty). In addition, a Non-U.S. Holder that is a corporation may be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty) on its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Sale, Exchange or Other Disposition of Common Stock

Subject to the discussion below under "—Payments to Foreign Financial Institutions and Non-financial Foreign Entities" and "—Information Reporting and Backup Withholding", a Non-U.S. Holder generally will not be subject to U.S. federal income tax on gain recognized on the sale, exchange or other disposition of our common stock unless:

- we are or have been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of (i) the five year period ending on the date of such sale, exchange or disposition and (ii) such Non-U.S. Holder's holding period with respect to our common stock, and certain other conditions are met;
- such gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder, in which event such Non-U.S. Holder generally will be subject to U.S. federal income tax on such gain in substantially the same manner as a U.S. holder (except as provided by an applicable tax treaty) and, if it is a corporation, may also be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty) on all or a portion of its effectively connected earnings and profits for the taxable year, subject to certain adjustments; or
- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale, exchange or disposition and certain other conditions are met.

Generally, a corporation is a "United States real property holding corporation" if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We do not believe that we are, and we do not presently anticipate that we will become, a United States real property holding corporation.

Payments to Foreign Financial Institutions and Non-financial Foreign Entities

Payments of any dividend on, or any gross proceeds from the sale, exchange or other disposition of, our common stock to a Non-U.S. Holder that is a "foreign financial institution" or a "non-financial foreign entity" (to the extent such dividend or any gain from such sale, exchange or disposition is not effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder) generally will be subject to the U.S. federal withholding tax at the rate of 30% unless such Non-U.S. Holder complies with certain additional U.S. reporting requirements or an exception otherwise applies.

For this purpose, a foreign financial institution includes, among others, a non-U.S. entity that (i) is a bank, (ii) holds, as a substantial portion of its business, financial assets for the account for others or (iii) is engaged (or holds itself out as being engaged) primarily in the business of investing, reinvesting or trading in securities, partnership interests, commodities or any interest in securities, partnership interests or commodities (as such terms are defined in the Code). A foreign financial institution generally will be subject to this 30% U.S. federal withholding tax unless it (i) enters into an agreement with the IRS pursuant to which such foreign financial institution agrees (x) to comply with certain information, verification, due diligence, reporting, and other procedures established by the IRS with respect to "United States accounts" (generally depository or custodial accounts maintained by a foreign financial institution (as well as non-traded debt or equity interests in such foreign financial institution) held by one or more "specified United States persons" or foreign entities with one or more "substantial United States owners" (as such terms are defined in the Code) and (y) to withhold on (1) its account holders that either fail to comply with reasonable requests for certain information as specified in the Code or fail to provide certain permissible waivers and (2) its account holders that are foreign financial institutions that do not enter into such an agreement with the IRS or (ii) is otherwise exempted by the IRS in future guidance.

A non-financial foreign entity generally will be subject to this 30% U.S. federal withholding tax unless such entity (i) provides the applicable withholding agent with either (x) a certification that such entity does not have any "substantial United States owners" (as defined in the Code) or (y) information regarding the name, address and taxpayer identification number of each "substantial United States owner" of such entity or (ii) is otherwise exempted by the IRS in future guidance. These reporting requirements generally will not apply to certain specified types of entities, including, but not limited to, a corporation the stock of which is regularly traded on an established securities market and certain affiliated corporations, foreign governments and international organizations.

Although this legislation currently applies to applicable payments made after December 31, 2012, the IRS has recently issued proposed Treasury regulations providing that the withholding provisions described above will generally apply to payments of dividends on our common stock made on or after January 1, 2014, and to payments of gross proceeds from a sale or other disposition of such stock on or after January 1, 2015.

Non-U.S. Holders should consult their own tax advisor regarding the application of these withholding and reporting rules.

Information Reporting and Backup Withholding

Generally, the amount of dividends on our common stock paid to a Non-U.S. Holder, the name and address of the recipient and the amount of any tax withheld from such dividends must be reported annually to the IRS and to the Non-U.S. Holder. In addition, separate information reporting and backup withholding rules that apply to payments to certain U.S. persons generally will not apply to payments with respect to our common stock to a Non-U.S. Holder if such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption.

Proceeds from the sale, exchange or other disposition of our common stock by a Non-U.S. Holder effected through a non-U.S. office of a U.S. broker or of a non-U.S. broker with certain specified U.S. connections generally will be subject to information reporting (but not backup withholding) unless such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption. Proceeds from the sale, exchange or other disposition of our common stock by a Non-U.S. Holder effected through a U.S. office of a broker generally will be subject to information reporting and backup withholding unless such Non-U.S. Holder certifies under penalties of perjury that it is not a United States person (generally by providing an IRS Form W-8BEN) or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability if the required information is furnished by such Non-U.S. Holder on a timely basis to the IRS.

U.S. Federal Estate Tax

In the case of an individual Non-U.S. Holder, shares of our common stock owned or treated as owned at such time by such individual will be included in his or her gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and UBS Securities LLC are acting as joint bookrunners and Morgan Stanley & Co. LLC is acting as the representative, have severally agreed to purchase, and we and the selling stockholders have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
J.P. Morgan Securities LLC	
UBS Securities LLC	
Allen & Company LLC	
Evercore Group L.L.C.	
William Blair & Company, L.L.C.	
Total	

The underwriters and the representative are collectively referred to as the “underwriters” and the “representative,” respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior contract for sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased, or, in the case of a default with respect to the shares covered by the underwriters’ over-allotment described below, the underwriting agreement may be terminated.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ a share under the public offering price. Any underwriter may allow, and such dealers may reallow, a concession not in excess of $ a share to other underwriters or to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representative.

We and the selling stockholders have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase the same percentage of the additional shares of common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us and the selling stockholders. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

		Total	
	Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by:			
Us	$	$	$
The selling stockholders	$	$	$
Proceeds, before expenses, to us	$	$	$
Proceeds, before expenses, to selling stockholders	$	$	$

The estimated offering expenses being paid by us, exclusive of the underwriting discounts and commissions, are approximately $.

We intend to apply to list our common stock on the NASDAQ Global Market under the trading symbol "GOGO."

We and all directors and officers and the holders of substantially all of our outstanding stock, and stock options have agreed that, without the prior written consent of each of (i) our board of directors and (ii) only following the prior written consent of our board of directors, Morgan Stanley & Co. LLC on behalf of the underwriters, and subject to certain exceptions, we and they will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of each of (i) our board of directors and (ii) only following the prior written consent of our board of directors, Morgan Stanley & Co. LLC on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph to do not apply to:

- transactions relating to shares of common stock or other securities acquired in open market transactions after the completion of the initial offering of the shares of common stock, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of common stock or other securities acquired in such open market transactions;
- transfers of shares of common stock or any security convertible into common stock as a *bona fide* gift, by will or by intestacy;

- distributions of shares of common stock or any security convertible into common stock to general or limited partners, members or stockholders of those persons subject to such restrictions;
- transfers of shares of common stock or any security convertible into common stock to partnerships or limited liability companies for the benefit of the immediate family of those subject to a lock-up agreement and the partners and members of which are only such persons and the immediate family of such persons;
- transfers of shares of common stock or any security convertible into common stock to affiliates of those subject to a lock-up agreement;
- distributions of shares of common stock or any security convertible into common stock to any trust for the direct or indirect benefit of those subject to a lock-up agreement or the immediate family of such persons or to a trustor or beneficiary of such trust;
- dispositions of shares of common stock to us (A) to satisfy tax withholding obligations in connection with the exercise of options to purchase common stock or (B) in connection with our rights to redeem or cause the disposition of shares of common stock in order to ensure our compliance with the Communications Act;
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that such plan does not provide for the transfer of common stock during the restricted period and no public announcement or filing under the Exchange Act regarding the establishment of such plan shall be required of or voluntarily made by or on behalf of us or any person subject to such restrictions; or
- transfers of shares pursuant to a *bona fide* third-party tender offer, merger, consolidation or other similar transaction made to all holders of our common stock involving a change of control of us, provided that in the event that the tender offer, merger, consolidation or other such transaction is not completed, the common stock owned by such person shall remain subject to the restrictions contained in the lock-up agreement.

The 180-day restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release or material news event relating to us occurs, or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

In order to facilitate the offering of our common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, the underwriters may over-allot in connection with the offering, creating a short position in the common stock for their own accounts. In addition, to cover over-allotments or to stabilize the price of the common stock, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the common stock in the offering, if the syndicate repurchases previously distributed common stock in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We, the selling stockholders and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of these liabilities.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters that may make internet distributions on the same basis as other allocations.

The underwriters may from time to time in the future provide us with investment banking, financial advisory or other services for which they may receive customary compensation.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representative. Among the factors to be considered in determining the initial public offering price will be the future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors. We cannot assure you that the prices at which the shares will sell in the public market after this offering will not be lower than the initial public offering price or that an active trading market in our common stock will develop and continue after this offering.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representative for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Switzerland

The Prospectus does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations ("CO") and the shares will not be listed on the SIX Swiss Exchange. Therefore, the Prospectus may not comply with the disclosure standards of the CO and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange. Accordingly, the shares may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors, which do not subscribe to the shares with a view to distribution.

LEGAL MATTERS

The validity of the shares of our common stock offered hereby will be passed upon for us by Debevoise & Plimpton LLP, New York, New York. Various legal matters related to this offering will be passed upon for the underwriters by Latham & Watkins LLP, Washington, District of Columbia.

EXPERTS

The consolidated financial statements as of December 31, 2010 and 2011 and for each of the three years in the period ended December 31, 2011, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 with respect to the common stock being sold in this offering. This prospectus does not contain all of the information set forth in the registration statement and the exhibits thereto because some parts have been omitted in accordance with the rules and regulations of the SEC. You will find additional information about us and the common stock being sold in this offering in the registration statement and the exhibits thereto. For further information with respect to the Company and the common stock being sold in this offering, reference is made to the registration statement and the exhibits filed therewith. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance, if such contract or document is filed as an exhibit, reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each statement being qualified in all respects by such reference. A copy of the registration statement, including the exhibits thereto, may be read and copied at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet site at http://www.sec.gov, from which interested persons can electronically access the registration statement, including the exhibits and any schedules thereto. Copies of the registration statement, including the exhibits and schedules thereto, are also available at your request, without charge, from Gogo Inc., 1250 North Arlington Heights Rd., Suite 500, Itasca, IL 60143.

As a result of the offering, we will become subject to the full informational requirements of the Exchange Act and, accordingly, will file annual reports containing financial statements audited by an independent registered public accounting firm, quarterly reports containing unaudited financial statements, current reports, proxy statements and other information with the SEC. You will be able to inspect and copy these reports, proxy statements and other information at the public reference facilities maintained by the SEC at the address noted above. You will also be able to obtain copies of this material from the Public Reference Room of the SEC as described above, or inspect them without charge at the SEC's website. Upon completion of this offering, you will also be able to access, free of charge, our reports filed with the SEC (for example, our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments to those forms) through our websites (www.aircell.com and www.gogoair.com). Reports filed with or furnished to the SEC will be available as soon as reasonably practicable after they are filed with or furnished to the SEC. None of the information contained on, or that may be accessed through our websites or any other website identified herein is part of, or incorporated into, this prospectus. All website addresses in this prospectus are intended to be inactive textual references only.

INDEX TO FINANCIAL STATEMENTS

Audited consolidated financial statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Gogo Inc.
Itasca, Illinois

We have audited the accompanying consolidated balance sheets of Gogo Inc. and subsidiaries (the "Company") as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' deficit, and cash flows for each of the three years in the period ended December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2011 and 2010, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
March 21, 2012

GOGO INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2011 AND 2010
(In thousands, except share and per share data)

	2011	2010	Unaudited Pro Forma 2011 (Note 2)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 42,591	$ 18,883	$ 42,591
Restricted cash	213	1,720	213
Accounts receivable—net of allowances of $300 and $85, respectively	20,965	14,707	20,965
Inventories	9,123	5,849	9,123
Prepaid expenses and other current assets	4,674	2,758	4,674
Total current assets	77,566	43,917	77,566
NONCURRENT ASSETS:			
Property and equipment—net	150,944	137,144	150,944
Intangible assets—net	53,557	53,440	53,557
Goodwill	620	620	620
Long-term restricted cash	383	635	383
Other noncurrent assets	2,566	1,184	2,566
Total noncurrent assets	208,070	193,023	208,070
TOTAL	$ 285,636	$ 236,940	$ 285,636
LIABILITIES AND STOCKHOLDERS' DEFICIT			
CURRENT LIABILITIES:			
Accounts payable	$ 13,713	$ 9,498	$ 13,713
Accrued liabilities	25,634	18,559	25,634
Deferred revenue	3,783	2,322	3,783
Deferred airborne lease incentives	2,502	1,079	2,502
Short-term debt	620	—	620
Total current liabilities	46,252	31,458	46,252
NONCURRENT LIABILITIES:			
Derivative liabilities	9,640	62,362	—
Deferred airborne lease incentives	19,797	9,080	19,797
Deferred rent	3,505	3,873	3,505
Deferred tax liabilities	4,146	3,210	4,146
Long-term notes payable	2,016	2,000	2,016
Asset retirement obligations	2,112	1,757	2,112
Other noncurrent liabilities	378	188	378
Total noncurrent liabilities	41,594	82,470	31,954
Total liabilities	87,846	113,928	78,206
COMMITMENTS AND CONTINGENCIES (Note 17)			
REDEEMABLE PREFERRED STOCK:			
Class A senior convertible preferred stock, par value $0.01 per share—authorized, 15,000 shares at December 31, 2011 and 2010; issued and outstanding, 14,126 and 8,587 shares at December 31, 2011 and 2010, respectively	152,689	80,278	—
Class B senior convertible preferred stock, par value $0.01 per share—authorized, 30,000 shares at December 31, 2011 and 2010; issued and outstanding, 22,488 shares at December 31, 2011 and 2010	250,572	231,559	—
Junior convertible preferred stock, par value $0.01 per share—authorized, 20,000 shares at December 31, 2011 and 2010; issued and outstanding, 19,070 shares at December 31, 2011 and 2010	148,191	141,548	—
Total preferred stock	551,452	453,385	—
STOCKHOLDERS' DEFICIT:			
Common stock, par value $0.0001 per share—authorized, 1,000,000 shares at December 31, 2011 and 2010; issued, 73,975 shares at December 31, 2011 and 2010 and 658,489 shares at pro forma December 31, 2011; outstanding, 66,000 shares at December 31, 2011 and 2010 and 650,514 shares at pro forma December 31, 2011	—	—	—
Additional paid-in-capital	50,927	97,831	612,019
Accumulated deficit	(404,589)	(428,204)	(404,589)
Total stockholders' equity (deficit)	(353,662)	(330,373)	207,430
TOTAL	$ 285,636	$ 236,940	$ 285,636

See the notes to consolidated financial statements.

GOGO INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except per share data)

	2011	2010	2009
REVENUES:			
Service revenue	$103,918	$ 58,341	$ 15,626
Equipment revenue	56,238	36,318	21,216
Total revenue	160,156	94,659	36,842
OPERATING EXPENSES:			
Cost of service revenue (exclusive of items shown below)	54,605	46,474	37,903
Cost of equipment revenue (exclusive of items shown below)	23,240	14,919	9,874
Engineering, design and development	22,245	19,228	21,901
Sales and marketing	25,116	23,624	27,762
General and administrative	36,101	36,384	28,340
Depreciation and amortization	32,673	30,991	21,898
Total operating expenses	193,980	171,620	147,678
OPERATING LOSS	(33,824)	(76,961)	(110,836)
OTHER (INCOME) EXPENSE:			
Interest income	(72)	(98)	(214)
Interest expense—net of amount capitalized	280	37	30,067
Fair value derivative adjustment	(58,740)	33,219	—
Loss on extinguishment of debt	—	—	1,577
Other	40	—	—
Total other (income) expense	(58,492)	33,158	31,430
Income (loss) before income taxes	24,668	(110,119)	(142,266)
Income tax provision	1,053	3,260	—
Net income (loss)	23,615	(113,379)	(142,266)
Class A and Class B senior convertible preferred stock return	(31,331)	(18,263)	—
Accretion of preferred stock	(10,181)	(8,501)	—
Net loss attributable to common stock	$ (17,897)	$ (140,143)	$ (142,266)
Net loss attributable to common stock per share—basic	$ (271.17)	$(2,123.38)	$(2,155.55)
Net loss attributable to common stock per share—diluted	$ (271.17)	$(2,123.38)	$(2,155.55)
Weighted average number of shares—basic	66	66	66
Weighted average number of shares—diluted	66	66	66
Pro forma net loss attributable to common stock per share-basic (unaudited) (Note 2)	$ (57.21)		
Pro forma net loss attributable to common stock per share-diluted (unaudited) (Note 2)	$ (57.21)		
Pro forma weighted average number of shares-basic (unaudited) (Note 2)	614		
Pro forma weighted average number of shares-diluted (unaudited) (Note 2)	614		

See the notes to consolidated financial statements.

GOGO INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands)

	2011	2010	2009
OPERATING ACTIVITIES:			
Net income (loss)	$ 23,615	$(113,379)	$(142,266)
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:			
Depreciation and amortization	32,673	30,991	21,898
Fair value derivative adjustment	(58,740)	33,219	—
Loss on asset disposals/abandonments	1,155	3,375	85
Deferred income taxes	936	3,210	—
Amortization of deferred financing fees and debt discount	—	—	8,922
Loss on extinguishment of debt	—	—	1,577
Stock compensation expense	1,795	1,614	320
Changes in operating assets and liabilities:			
Accounts receivable	(6,258)	(9,274)	411
Inventories	(3,274)	1,069	(1,821)
Prepaid expenses and other current assets	(1,916)	204	(644)
Other noncurrent assets	(60)	(126)	(158)
Accounts payable	1,433	(5,906)	3,359
Accrued liabilities	6,107	1,865	1,538
Deferred revenue	1,461	1,910	(1,002)
Deferred rent	(224)	(237)	845
Deferred airborne lease incentives	11,030	8,869	—
Accrued interest	8	27	18,756
Other noncurrent liabilities	190	276	(376)
Net cash provided by (used in) operating activities	9,931	(42,293)	(88,556)
INVESTING ACTIVITIES:			
Proceeds from the sale of property and equipment	—	22	1,059
Purchases of property and equipment	(33,200)	(32,502)	(68,832)
Acquisition of intangible assets—capitalized software	(9,878)	(7,321)	(8,464)
Decrease in investing restricted cash	1,702	2,127	1,550
Net cash used in investing activities	(41,376)	(37,674)	(74,687)
FINANCING ACTIVITIES:			
Proceeds from issuance of preferred stock	55,386	28,500	36,322
Proceeds from credit facility	520	2,000	—
Proceeds from the issuance of senior convertible and bridge notes	—	—	207,794
Payment of debt, including capital leases	(42)	(45)	(34,913)
Payment of debt and equity financing costs	(768)	—	(1,580)
Decrease (increase) in financing restricted cash	57	(57)	—
Net cash provided by financing activities	55,153	30,398	207,623
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,708	(49,569)	44,380
CASH AND CASH EQUIVALENTS—Beginning of period	18,883	68,452	24,072
CASH AND CASH EQUIVALENTS—End of period	$ 42,591	$ 18,883	$ 68,452
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest	$ 244	$ —	$ 2,618
Cash paid for taxes	$ 74	$ —	$ —
NONCASH INVESTING AND FINANCING ACTIVITIES:			
Purchases of property and equipment in current liabilities	$ 6,863	$ 4,363	$ 4,917
Purchases of property and equipment paid by commercial airlines	1,110	1,290	—
Purchases of property and equipment under capital leases	366	—	—
Acquisition of intangible assets—capitalized in current liabilities	2,790	2,246	1,067
Asset retirement obligation incurred	147	453	577
Class A and Class B senior convertible preferred stock return	31,331	18,263	—
Accretion of preferred stock	10,181	8,501	—
Deferred financing costs	554	—	—
Exchange of Bridge Notes for Class A senior convertible preferred stock	—	—	20,079
Exchange of Bridge Notes for Class B senior convertible preferred stock	—	—	215,820
Exchange of Senior Convertible Notes for Junior convertible preferred stock	—	—	166,666
Gain on extinguishment of convertible debt	—	—	10,942
Conversion of Class A units into common stock	—	—	65,777
Class A senior convertible preferred stock subscription	—	—	287
Issuance of Class A senior convertible preferred stock put/call option agreements	—	—	515

See the notes to consolidated financial statements.

GOGO INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands)

	AC HoldCo LLC Class A Units		Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Shares	Par Value	Capital	Deficit	Total
BALANCE—January 1, 2009	66,000	$ 65,777	—	$ —	$ 32,154	$ (172,559)	$ (74,628)
Net loss	—	—	—	—	—	(142,266)	(142,266)
Beneficial conversion feature in senior convertible notes and Bridge Notes	—	—	—	—	13,788	—	13,788
Issuance of common stock in exchange for AC HoldCo LLC Class A and Class B units	(66,000)	(65,777)	66	—	65,777	—	—
Gain on extinguishment of convertible debt	—	—	—	—	10,942	—	10,942
Stock compensation expense	—	—	—	—	320	—	320
BALANCE—DECEMBER 31, 2009	—	—	66	—	122,981	(314,825)	(191,844)
Net loss	—	—	—	—	—	(113,379)	(113,379)
Class A senior convertible preferred stock and Class B senior convertible preferred stock return	—	—	—	—	(18,263)	—	(18,263)
Accretion of preferred stock	—	—	—	—	(8,501)	—	(8,501)
Stock compensation expense	—	—	—	—	1,614	—	1,614
BALANCE—DECEMBER 31, 2010	—	—	66	—	97,831	(428,204)	(330,373)
Net income	—	—	—	—	—	23,615	23,615
Class A senior convertible preferred stock and Class B senior convertible preferred stock return	—	—	—	—	(31,331)	—	(31,331)
Accretion of preferred stock	—	—	—	—	(10,181)	—	(10,181)
Class A senior convertible preferred stock adjustment to fair value at issuance	—	—	—	—	(7,187)	—	(7,187)
Stock compensation expense	—	—	—	—	1,795	—	1,795
BALANCE—DECEMBER 31, 2011	—	$ —	66	$ —	$ 50,927	$ (404,589)	$(353,662)

See the notes to consolidated financial statements.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

1. BACKGROUND

Gogo Inc. ("we, us, our," etc.) is a holding company, which through two wholly owned operating subsidiaries, is a provider of in-flight connectivity and wireless in-cabin digital entertainment solutions. We operate our business through our two operating segments: commercial aviation, or CA, and business aviation, or BA. Our CA business provides "Gogo®" branded in-flight connectivity and wireless digital entertainment solutions to commercial airline passengers, using our nationwide network of cell towers (the "ATG network"), our airborne equipment, and our exclusive nationwide air-to-ground ("ATG") spectrum. Our BA business provides equipment for in-flight connectivity along with voice and data services to the business aviation market. BA services include Gogo Biz, our in-flight broadband service that utilizes both our ATG network and our ATG spectrum, and satellite-based voice and data services through strategic alliances with satellite companies.

On June 15, 2011 we officially changed our name from Aircell Holdings Inc. to Gogo Inc. to enhance brand awareness with our customers. On December 23, 2011 we filed a Registration Statement on Form S-1 to commence our initial public offering process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—The consolidated financial statements include our wholly owned subsidiaries and our affiliate, AC Management LLC ("ACM"). All intercompany transactions and account balances have been eliminated.

We are the managing member of ACM, an affiliate whose units are owned by members of management. ACM was established for the sole purpose of providing an ownership stake in us to members of management, and ACM's transactions effectively represent a share-based compensation plan (see Note 11, "Share-Based Compensation," for further information). Since we are the managing member of ACM and thereby control ACM, including controlling which members of management are granted ownership interests, ACM is included in our consolidated financial statements.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates the significant estimates and bases such estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. However, actual results could differ materially from those estimates.

Reclassifications—To maintain consistency and comparability, certain amounts from previously reported consolidated financial statements have been reclassified to conform to the current-year presentation.

- Consolidated statements of operations reclassifications:
  - We reclassified certain expenses from Engineering, Design and Development to Cost of Service Revenue for the years ended December 31, 2010 and 2009 of $989 and $958, respectively.

Unaudited Pro Forma Consolidated Balance Sheet and Unaudited Pro Forma EPS—Upon the consummation of our initial public offering, all of the outstanding shares of convertible preferred stock will

automatically convert into shares of common stock. The December 31, 2011 pro forma consolidated balance sheet data has been prepared assuming the conversion of the convertible preferred stock outstanding into 584,514 shares of common stock. The conversion of our convertible preferred stock into common stock also results in the reclassification of our $9.6 million derivative liability into additional paid-in capital.

The pro forma net loss attributable to common stock for the year ended December 31, 2011 has been prepared assuming the conversion of the weighted average convertible preferred stock outstanding during 2011 into 548,086 shares of common stock. For pro forma purposes, net income, as reported, is adjusted to exclude the impact of the fair value derivative adjustment of $58.7 million for the year ended December 31, 2011, resulting in a pro forma net loss for 2011 of $35,125.

Significant Risks and Uncertainties—Our operations are subject to certain risks and uncertainties, including those associated with continuing losses, fluctuations in operating results, funding expansion, strategic alliances, managing rapid growth and expansion, relationships with suppliers and distributors, financing arrangement terms that may restrict operations, regulatory issues, competition, the economy, technology trends, and evolving industry standards.

Cash and Cash Equivalents—We consider short-term, highly liquid investments that are readily convertible to known amounts of cash, and so near their maturities that there is insignificant risk of changes in value due to any changes in market interest rates, and that have maturities of three months or less when purchased, to be cash equivalents. We continually monitor positions with, and the credit quality of, the financial institutions with which we invest. The carrying amounts reported in the balance sheets for cash and cash equivalents approximate the fair market value of these assets.

Certain cash amounts are restricted as to use and are classified outside of cash and cash equivalents.

See Note 8, “Long-term Debt and Other Liabilities,” for further details.

Concentrations of Credit Risk—Financial instruments that potentially subject us to a concentration of credit risk consist principally of cash and cash equivalents and accounts receivable. All cash and cash equivalents are invested in creditworthy financial institutions. We perform ongoing credit evaluations and generally do not require collateral to support receivables.

See Note 10, “Business Segments,” for further details.

Income Tax—We use an asset- and liability-based approach in accounting for income taxes. Deferred income tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the tax differences are expected to reverse. Valuation allowances are provided against deferred tax assets, which are not likely to be realized. On a regular basis, management evaluates the recoverability of deferred tax assets and the need for a valuation allowance. We also consider the existence of any uncertain tax positions and, as necessary, provide a reserve for any uncertain tax positions at each reporting date.

See Note 13, “Income Taxes,” for further details.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

Inventories—Inventories consist primarily of telecommunications systems and parts, and are recorded at the lower of cost (average cost) or market. We evaluate the need for write-downs associated with obsolete, slow-moving, and nonsalable inventory by reviewing net realizable inventory values on a periodic basis.

See Note 7, “Composition of Certain Balance Sheet Accounts,” for further details.

Property and Equipment and Depreciation—Property and equipment, including leasehold improvements, are stated at historical cost, less accumulated depreciation. Network asset inventory and construction in progress, which includes materials, transmission and related equipment, interest, and other costs relating to the construction and development of our network, are not depreciated until they are put into service. Network equipment consists of switching equipment, antennas, base transceiver stations, site preparation costs, and other related equipment used in the operation of our network. Airborne equipment consists of routers, antenna and related equipment, and accessories installed or to be installed on aircraft. Depreciation expense totaled $22.6 million, $19.6 million and $12.4 million for the years ended December 31, 2011, 2010 and 2009, respectively. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives for owned assets, which are as follows:

Office equipment, furniture, and fixtures	3–7 years
Leasehold improvements	3–13 years
Airborne equipment	7 years
Network equipment	5–25 years

See Note 7, “Composition of Certain Balance Sheet Accounts,” for further details.

Improvements to leased property are amortized over the shorter of the useful life of the improvement or the term of the related lease. Repairs and maintenance costs are expensed as incurred.

Goodwill and Other Intangible Assets—Goodwill and other intangible assets with indefinite lives are not amortized, but are reviewed for impairment at least annually or whenever events or circumstances indicate the carrying value of the asset may not be recoverable. We perform our annual impairment tests of goodwill and our indefinite-lived intangible assets during the fourth quarter of each fiscal year. We assess the fair value of our FCC license using an income-based approach using both the Relief from Royalty and Greenfield methods. Under the income approach, the fair value of the intangible asset is based on the present value of estimated future cash flows.

In performing our annual review of goodwill and indefinite-lived balances for impairment, we estimate the fair value based primarily on projected future operating results, discounted cash flows, and other assumptions. Projected future operating results and cash flows used for valuation purposes may reflect considerable improvements relative to historical periods with respect to, among other things, revenue growth and operating margins. Although we believe our projected future operating results and cash flows and related estimates regarding fair values are based on reasonable assumptions, projected operating results and cash flows may not always be achieved. The failure to achieve one or more of our assumptions regarding projected operating results and cash flows in the near term or long term could reduce the estimated fair value below carrying value and result in the recognition of an impairment charge. The results of our annual goodwill and indefinite-lived impairment assessments for 2011, 2010, and 2009 indicated no impairment.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

Intangible assets that are deemed to have a finite life are amortized over their useful lives as follows:

Software	3–8 years
Trademark/trade name	5 years
Aircell Axxess technology	8 years
OEM and dealer relationships	10 years
Service customer relationships	5 years

See Note 6, “Intangible Assets,” for further details.

Long-Lived Assets—We review our long-lived assets to determine potential impairment whenever events indicate that the carrying amount of such assets may not be recoverable. We do this by comparing the carrying value of the long-lived assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. If we determine an impairment exists, the asset is written down to estimated fair value.

Arrangements with Commercial Airlines—Pursuant to contractual agreements with most of our airline partners, we place our equipment on commercial aircraft operated by the airlines for the purpose of delivering the Gogo® service to passengers on the aircraft. We are generally responsible for the costs of installing and deinstalling the equipment. For the majority of the currently installed aircraft we maintain legal title to our equipment; however, some of our airline partners make an upfront payment and take legal title to such equipment. The majority of the equipment transactions where legal title transfers are not deemed to be sales transactions for accounting purposes because the risks and rewards of ownership are not fully transferred due to our continuing involvement with the equipment, the length of the term of our agreements with the airlines and restrictions in the agreements regarding the airlines’ use of the equipment. We account for these equipment transactions as operating leases of space for our equipment on the aircraft. The assets are recorded as Airborne Equipment on our balance sheets, as noted in the Property and Equipment and Depreciation section above. Any upfront equipment payments are accounted for as a lease incentive and recorded as Deferred Airborne Lease Incentive on our balance sheets and are recognized as a reduction of the Cost of Service Revenue on a straight-line basis over the term of the agreement with the airline.

Our contracts with each commercial airline also require us to pay the airline a percentage of the service revenues generated from transactions with the airline’s passengers. Such payments are essentially contingent rental payments and are recorded at the same time as the related passenger service revenue and classified as Cost of Service Revenue in the consolidated statements of operations. Certain airlines are also entitled under their contracts to reimbursement by us of certain costs, which are deemed additional rental payments and classified as Cost of Service Revenue in our consolidated statements of operations.

See Note 15, “Leases,” for further details.

Revenue Recognition—We recognize revenue for equipment sales when the following conditions have been satisfied: the equipment has been shipped to the customer, title and risk of loss have transferred to the customer, we have no future obligations for installation or maintenance service, the price is fixed or determinable, and collectibility is reasonably assured.

Service revenue for BA generally consists of monthly recurring and usage fees, which are recognized monthly as the services are provided and billed to customers.

Service revenue for CA generally consists of point-of-sale transactions with airline passengers, which are recognized as the services are provided and billed to customers, typically by credit or debit card. The card processors charge a transaction fee for each card transaction, and such transaction processor payments are classified as cost of service revenue in the consolidated statements of operations and recorded at the same time as the related passenger service revenue.

During 2011, we added an annual subscription product to CA's product offerings. During 2010, we added multiple access packages ("multi-pack") and an unlimited monthly access option to CA's product offerings. Under the multi-pack, revenue is deferred and recognized each time the customer accesses the network. Typically, with products similar to the multi-pack, revenue can be recognized when the likelihood of redemption is remote. As we currently do not have the information or history to estimate our multi-pack redemption patterns, we currently recognize revenue only when the customer accesses the network. Under the unlimited monthly access option, revenue is deferred until the customer first accesses the network, at which point, revenue is recognized evenly throughout the month of use, regardless of how many times the customer accesses the network. All deferred revenue amounts related to the multi-pack and unlimited monthly access options is classified as a current liability in our consolidated balance sheets.

CA also derives service revenue under arrangements with various third parties who sponsor free or discounted access to Gogo® service. The sponsorship arrangements vary with respect to duration and the airlines included. For sponsorship arrangements that occur across more than a single calendar month, revenue is deferred and recognized evenly throughout the sponsorship term. Due to the short-term nature of these arrangements, all deferred amounts related to our sponsorships are classified as a current liability in our consolidated balance sheets. Other sources of CA revenue include fees paid by third parties to advertise on or to enable ecommerce transactions through our airborne portal. For advertising or ecommerce arrangements that occur across more than a single calendar month, revenue is deferred and recognized evenly throughout the term of the arrangement.

Our BA segment has multi-element arrangements that include both equipment and service revenue. Revenue is allocated to each element based on the relative fair value of each element. Each element's allocated revenue is recognized when the revenue recognition criteria for that element have been met. Fair value is generally based on the price charged when each element is sold separately, or vendor-specific objective evidence ("VSOE"). We use VSOE to determine the fair value of the elements pertaining to this arrangement.

Research and Development Costs—Expenditures made for research and development are charged to expense as incurred.

See Note 16, "Research and Development Costs" for further information.

Software Development Costs—We comply with the provisions of Accounting Standards Codification ("ASC") 350-40, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*, which requires us to capitalize costs for network and non-network software developed or obtained for internal use during the application development stage. These costs include purchased software and direct costs associated with the development and configuration of internal use software that support the operation of our service offerings. These costs are included in intangible assets—net in our consolidated balance sheets and, when the software is placed in service, are amortized over their estimated useful lives. Costs incurred in the preliminary project and post-implementation stage, as well as maintenance and training costs, are expensed as incurred.

We also comply with the provisions of ASC 985-20, *Software – Cost of Software to Be Sold, Leased, or Marketed*, which requires us to capitalize costs once technological feasibility has been established. Capitalized software costs are amortized on a product-by-product basis, based on the greater of the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product or the straight-line method over the remaining estimated economic life of the product.

Warranty—Our BA segment provides warranties on parts and labor of our sealed systems. Our warranty terms range from two to five years. Warranty reserves are established for costs that are estimated to be incurred after the sale, delivery, and installation of the products under warranty. The warranty reserves are determined based on known product failures, historical experience, and other available evidence, and are included in accrued liabilities in our consolidated balance sheets.

See Note 7, “Composition of Certain Balance Sheet Accounts,” for the details of the changes in our warranty reserve.

Asset Retirement Obligations—We have certain asset retirement obligations related to contractual commitments to remove our network equipment and other assets from leased cell sites upon termination of the site lease or to remove equipment from aircraft when the service contracts terminate. The asset retirement obligations are classified as a noncurrent liability in our consolidated balance sheets.

See Note 7, “Composition of Certain Balance Sheet Accounts,” for the details of the changes in our asset retirement obligations.

Fair Value of Financial Instruments—We group financial assets and financial liabilities measured at fair value into three levels of hierarchy in accordance with ASC 820-10, *Fair Value Measurements and Disclosure*, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. Our derivative liabilities are the only financial assets and liabilities that are measured at fair value in our consolidated balance sheets.

See Note 4, “Fair Value of Financial Assets and Liabilities,” for further information.

Derivatives—Our Class A Senior Convertible Preferred Stock (“Class A Preferred Stock”) and Junior Convertible Preferred Stock (“Junior Preferred Stock”) contain features that are considered embedded derivatives and are required to be bifurcated from the preferred stock and accounted for separately. These embedded derivatives are recognized in our consolidated balance sheets at fair value and the changes in fair values are recognized as noncash activity in earnings each period.

See Note 3, “Preferred Stock and Common Stock,” and Note 4, “Fair Value of Financial Assets and Liabilities,” for further information.

Preferred Stock—We elect to accrete changes in the redemption value of our preferred stock over the period from the date of issuance to the earliest redemption date using the effective interest method.

See Note 3, “Preferred Stock and Common Stock,” for further information.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

Earnings Per Share—We calculate basic and diluted net loss per share in accordance with ASC 260, *Earnings Per Share* ("ASC 260"), using the weighted-average number of common shares outstanding during the period.

See Note 5, "Earnings Per Share" for further information.

Share-Based Compensation—Compensation cost is measured and recognized at fair value for all share-based payments, including stock options. We estimate fair value using the Black-Scholes option-pricing model, which requires assumptions, such as expected volatility, risk-free interest rate, expected life, and dividends. Our share-based compensation expense is recognized net of estimated forfeitures on a straight-line basis over the applicable vesting period, and is included in general and administrative expenses in our consolidated statements of operations. For 2011, 2010, and 2009, we used an estimated forfeiture rate in computing share-based compensation expense. We will reassess our estimated forfeiture rate in subsequent periods and it may change based on new facts and circumstances.

See Note 11, "Share-Based Compensation," for further discussion.

Leases—In addition to our arrangements with commercial airlines which we account for as leases as noted above, we also lease certain facilities, equipment, cell tower space, and base station capacity. We review each lease agreement to determine if it qualifies as an operating or capital lease.

For leases that contain predetermined fixed escalations of the minimum rent, we recognize the related rent expense on a straight-line basis over the term of the lease. We record any difference between the straight-line rent amounts and amounts payable under the lease as part of deferred rent, in either accrued liabilities or as a separate line within noncurrent liabilities, as appropriate, in our consolidated balance sheets.

For leases that qualify as a capital lease, we record a capital lease asset and a capital lease obligation at the beginning of lease term at an amount equal to the present value of minimum lease payments during the term of the lease, excluding that portion of the payments that represent executory costs. The capital lease asset is depreciated on a straight-line method over its estimated useful life.

See Note 15, "Leases," for further information.

Comprehensive Income/Loss—Comprehensive income/loss is equal to net income/loss as presented in the accompanying consolidated statements of operations.

Recently Issued Accounting Pronouncements—In May 2011, FASB issued ASU No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS"). This pronouncement was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and IFRS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. This pronouncement is effective for reporting periods beginning on or after December 15, 2011, with early adoption prohibited. The new guidance will require prospective application. We will adopt this guidance as of January 1, 2012. Adoption of this guidance is not expected to have a material impact on our financial position, results of operations or cash flows.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

3. PREFERRED STOCK AND COMMON STOCK

On December 31, 2009, AC HoldCo LLC ("HoldCo") converted from a limited liability company to a C-Corporation (the "C-Corp Conversion") via a two-step merger in which Aircell Holdings Inc. was the survivor. As a result of the C-Corp Conversion, our capitalization structure changed. All outstanding convertible debt, along with accrued interest as of December 31, 2009, was converted into one of three classes of preferred stock. In addition, our two classes of unit ownership, Class A and Class B, were converted into shares of our common stock.

Below are descriptions of the members' interests that were outstanding prior to the C-Corp Conversion, the C-Corp Conversion and the terms of our preferred and common stock authorized and outstanding following the C-Corp Conversion.

HoldCo Interests—Immediately prior to the C-Corp Conversion, we had two classes of unit ownership:

Class A Units—The Class A units were the principal ownership units of HoldCo and provided voting rights and distribution preferences to the holders of the Class A units. In addition, HoldCo's senior convertible notes and Bridge Notes were convertible into Class A units as described below.

Class B Units—Class B units were held solely by ACM, had no voting rights, and participated in distributions only after payment of principal and interest on senior convertible and Bridge Notes and only after the Class A unitholders had received distributions equivalent to their capital contributions. As of December 31, 2009, ACM held all 16,966,667 Class B units, respectively, issued by HoldCo. Since ACM is consolidated in our consolidated financial statements, the consolidated financial statements reflected no Class B units outstanding.

Immediately prior to the C-Corp Conversion, HoldCo also had $164.0 million of Senior Convertible Notes (the "Senior Convertible Notes") and $237.8 million of Senior Subordinated Secured Convertible Promissory Notes ("Bridge Notes," and together with the Senior Convertible Notes, the "Notes") outstanding, which were primarily held by parties that were also holders of Class A units and are members, or whose affiliates are members, of our board of directors.

Senior Convertible Notes—The Senior Convertible Notes were originally issued between 2006 and 2008 and bore interest at 6% per annum, compounded quarterly, and all interest payments were accrued. Immediately prior to the C-Corp Conversion, on December 31, 2009, accrued interest on these notes was $26.7 million. Such notes were collateralized by substantially all of our assets, and following the C-Corp Conversion, the noteholders' lien on our assets was released. The Senior Convertible Notes along with the accrued interest were convertible into Class A units at the option of the note holders at an initial conversion price of $1.20 per Class A unit. The conversion price of the notes was adjustable in the event we issued additional debt at a conversion price lower than the conversion price of the notes as in effect at that time. In December 2008 and throughout 2009, we issued Bridge Notes, described below, that included a conversion price of $1.00 per Class A unit which triggered an adjustment to the conversion price of the Senior Convertible Notes. As of December 31, 2009, prior to the C-Corp Conversion, the conversion price was $1,087.

Bridge Notes—We issued Bridge Notes to holders of existing Senior Convertible Notes and Class A units in the aggregate principal amount of $237.8 million throughout 2008 and 2009. Our obligations, as evidenced by the Bridge Notes, were *pari passu* in right of payment to all senior convertible notes and secured by substantially all of our assets. Following the C-Corp Conversion, the noteholders' lien on our assets was released. The Bridge

Notes accrued interest at 6% per annum, which compounded quarterly, and all interest payments were accrued. Immediately prior to the C-Corp Conversion on December 31, 2009, accrued interest on these notes was $7.8 million. The Bridge Notes were convertible at the option of the holder into Class A units at the stated conversion price of $1.00 per Class A unit.

Beneficial Conversion Feature of the Notes—Since the Notes were convertible into Class A units, they were evaluated for embedded beneficial conversion features. It was determined that approximately $64.0 million of the Senior Convertible Notes issued in 2008, and all of the Bridge Notes, did include a beneficial conversion feature. The value of the Class A units at the time of the funding commitment for those particular notes was estimated to be greater than the conversion price of $1.20 per Class A unit set forth in the Senior Convertible Notes, and $1.00 per Class A unit set forth in the Bridge Notes. In addition, due to the conversion price adjustments described above, the intrinsic value of the beneficial conversion feature in the Senior Convertible Notes increased subsequent to their issuance.

We accounted for the beneficial conversion feature in accordance with ASC 470-20, *Debt with Conversion and Other Options*, which requires recognition of a beneficial conversion feature in additional paid-in capital if that feature has a positive intrinsic value upon issuance and upon the occurrence of certain events, such as an adjustment to the conversion price. A beneficial conversion feature of $13.8 million was recorded in 2009 due to the issuance of additional Bridge Notes throughout 2009 and the incremental intrinsic value created by the conversion price adjustments to the Senior Convertible Notes that occurred as a result of the issuance of the Bridge Notes. The total value of the beneficial conversion feature was recorded as a debt discount to the Notes and an increase to additional paid-in capital. The recorded debt discount was amortized as a noncash interest expense over the life of the Notes using the effective interest method. Upon the C-Corp Conversion, the related debt, debt discount, and accrued interest were derecognized.

Upon the C-Corp Conversion, we recorded $10.9 million of gain on extinguishment of the Notes. As the substantial majority of this debt was held by parties affiliated with members of our Board of Directors, the gain was recorded directly to additional paid-in capital as the extinguishment was in essence a capital transaction.

As Part of the C-Corp Conversion on December 31, 2009:

- Approximately $20.2 million of the Bridge Notes issued in 2009, including accrued and unpaid interest of approximately $0.6 million, were converted into approximately 2,076 shares of Class A Preferred Stock.
- The remaining $217.6 million of the Bridge Notes issued in 2009 and 2008, including accrued and unpaid interest of approximately $7.3 million, were converted into approximately 22,488 shares of Class B Senior Convertible Preferred Stock (“Class B Preferred Stock”).
- $164.0 million of Senior Convertible Notes, including accrued and unpaid interest of approximately $26.7 million, were converted into approximately 19,070 shares of Junior Preferred Stock.
- HoldCo’s 66,000,000 Class A units were converted into 66,000 shares of common stock.
- HoldCo’s 16,966,667 Class B units, held by ACM, were exchanged for approximately 7,975 shares of common stock.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

- The difference between (i) the net carrying value of the Notes and (ii) the allocated value of the three series of preferred stock, was recognized as a gain on the extinguishment of debt of $10.9 million and recorded directly to additional paid-in capital on December 31, 2009.
- We incurred $1.0 million of transaction costs which reduced the net proceeds from the preferred stock issuance and the issuance of preferred shares to new investors on December 31, 2009, noted below.

Preferred and Common Stock—As a result of the C-Corp Conversion, our authorized capital consists of three classes of preferred stock and one class of common stock. All classes of our preferred stock have voting rights proportionate to their ownership interest in us and have participating rights in any dividends issued on the common stock. Each class of preferred stock requires the use of reasonable efforts to have a registration statement declared and remain effective, but there are no contingent payments associated with a failure to do so and, therefore, no liability has been recorded for the registration rights.

Each class of preferred stock was recorded outside of permanent equity because the investors can redeem the shares in the future outside of our control. The Class A Preferred Stock, Class B Preferred Stock, and the Junior Preferred Stock were measured at fair value upon issuance on December 31, 2009. See below for further details.

Our Certificate of Incorporation defines a Liquidation Event as any voluntary or involuntary liquidation, dissolution or winding up, and a Deemed Liquidation Event as (i) the sale, lease, exchange, license, or other disposition of all or substantially all of our assets and our subsidiaries, taken as a whole, in one transaction or series of related transactions, or (ii) a merger, consolidation, tender offer, reorganization, business combination, or other transaction as a result of which the holders of our issued and outstanding voting securities immediately before such transaction own or control less than a majority of the voting securities (calculated on the basis of voting power) of the continuing or surviving entity immediately after such transaction.

Class A Senior Convertible Preferred Stock—The Class A Preferred Stock has an initial stated capital of $10,000 per share and first priority in the event of a liquidation or dissolution, and is redeemable on or after December 31, 2016 at the election of the holders of at least a majority of the then-outstanding shares of Class A Preferred Stock voting as a class. If the Class A Preferred Stock could be redeemed as of December 31, 2011, the aggregate redemption value of the shares would be $153.9 million, which represents the stated capital of such shares plus any accrued and unpaid preferred return. The Class A Preferred Stock pays a quarterly preferred return of 5% in cash or 6% if paid in-kind, which is effected by increasing the stated capital of the preferred stock; and is convertible into common shares at a stated conversion price of $1,000 (which is equivalent to 10 shares of common stock per share of Class A Preferred Stock converted), subject to antidilution adjustments (see antidilution adjustment section below for further details). The liquidation preference for this security provides for a 33% return if a Deemed Liquidation Event occurs in the first year after issuance, a 67% cumulative return if a Deemed Liquidation Event occurs in the second year after issuance, and a 100% cumulative return if a Deemed Liquidation Event occurs after the end of the second year after issuance or, in the event of a Liquidation Event (other than a Deemed Liquidation Event) at any time, a return of stated capital, plus accrued and unpaid preferred returns at the liquidation/dissolution date, or, if greater, for both a Deemed Liquidation Event and a Liquidation Event, the amount that would have been payable or distributable with respect to the common stock into which the Class A Preferred Stock would have been converted, if all shares of this class of preferred stock, and all other classes of securities, had been converted into common stock immediately prior to the Liquidation Event. There was no beneficial conversion feature associated with the

Class A Preferred Stock as of December 31, 2011 or 2010. The preferred return associated with the Class A Preferred Stock was paid in-kind. The preferred stock return was recorded at fair value and totaled $13.9 million and $4.5 million for the years ended December 31, 2011 and 2010, respectively. Accretion associated with the Class A Preferred Stock was $1.9 million and $1.0 million for the years ended December 31, 2011 and 2010, respectively.

The liquidation preference for the Class A Preferred Stock represents an embedded derivative and requires bifurcation from the Class A Preferred Stock and separate accounting as a derivative liability. The liquidity feature, when classified as a derivative liability, is required to be initially recorded at fair value and to be marked to fair value at the end of each reporting period. Any change in fair value results in noncash activity in other (income) expense in the consolidated statement of operations. As of December 31, 2011 and 2010, the fair value of the Derivative Liability was deemed to be $9.6 million and $29.3 million, respectively, which is classified as a noncurrent liability in the consolidated balance sheet. Due to changes in fair value of the derivative liability, $25.7 million of income and $17.9 million of expense was recorded to Fair Value Derivative Adjustment in our consolidated statements of operations for the years ended December 31, 2011 and 2010, respectively. See Note 4, “Fair Value of Financial Assets and Liabilities,” for additional discussion on the fair value adjustments.

Class B Senior Convertible Preferred Stock—The Class B Preferred Stock has an initial stated capital of $10,000 per share and second priority in the event of a liquidation or dissolution, and is redeemable on or after December 31, 2016, at the election of the holders of at least a majority of the then-outstanding shares of Class B Preferred Stock voting as a class. If the Class B Preferred Stock could be redeemed as of December 31, 2011, the aggregate redemption value of the shares would be $253.3 million, which represents the stated capital of such shares plus any accrued and unpaid preferred return. The Class B Preferred Stock pays a quarterly preferred return of 5% in cash or 6% if paid in-kind, which is effected by increasing the stated capital of the preferred stock; and is convertible into common shares at a stated conversion price of $1,000 (which is equivalent to 10 shares of common stock per share of Class B Preferred Stock converted), subject to antidilution adjustments (see antidilution adjustment section below for further details). The liquidation preference for this security provides for a return of stated capital plus accrued and unpaid preferred returns at the liquidation/dissolution date or, if greater, the amount that would have been payable or distributable with respect to the common stock into which the Class B Preferred Stock would have been converted if all shares of this class of preferred stock and all other classes of securities had been converted into common stock immediately prior to the liquidation event. There was no beneficial conversion feature associated with the Class B Preferred Stock as of December 31, 2011 or 2010. The preferred return associated with the Class B Preferred Stock was paid in-kind. The preferred stock return was recorded at fair value and totaled $17.4 million and $13.8 million for the years ended December 31, 2011 and 2010, respectively. Accretion associated with the Class B Preferred Stock was $1.6 million and $1.2 million for the years ended December 31, 2011 and 2010, respectively.

Junior Convertible Preferred Stock—The Junior Preferred Stock has an initial stated capital of $10,000 per share and third priority in the event of a liquidation or dissolution, and is redeemable on or after June 30, 2017, at the election of holders of at least a majority of then-outstanding shares of Junior Preferred Stock voting as a class. If the Junior Preferred Stock could be redeemed as of December 31, 2011, the aggregate redemption value of the shares would be $190.7 million, which represents the stated capital of such shares. The Junior Preferred Stock does not pay a quarterly preferred return, and at issuance, was convertible into common shares at a stated conversion price of $1,087 (which is equivalent to 9.1996 shares of common stock per share of Junior Preferred Stock converted), subject to antidilution adjustments, as of the date of issuance (see antidilution adjustment

section below for further details). As of December 31, 2011, the Junior Preferred Stock conversion price was $1,075 due to adjustments resulting from the issuance of additional Class A Preferred Stock in 2011 and 2010. The liquidation preference for this security provides for a return of stated capital at the liquidation/dissolution date or, if greater, the amount that would have been payable or distributable with respect to the common stock into which these preferred shares would have been converted if all shares of this class of preferred stock and all other classes of securities had been converted into common stock immediately prior to the liquidation event. There was no beneficial conversion feature associated with the Junior Preferred Stock as of December 31, 2011 or 2010. Accretion associated with the Junior Preferred Stock was $6.6 million and $6.3 million for the years ended December 31, 2011 and 2010, respectively.

The fair value at issuance of the Junior Preferred stock at December 31, 2009, was determined to be approximately $8,000 per share, a substantial discount to its stated capital of $10,000 per share. Accordingly, under ASC 815, *Derivatives and Hedging*, since the Junior Preferred Stock contains contingently exercisable put/call features, principally the Deemed Liquidation Event and Mandatory Conversion Option features, that can accelerate the repayment of the stated capital, then such contingently exercisable put/call features are not deemed to be clearly and closely related to the host security and must be bifurcated from the Junior Preferred Stock and separately accounted for as a derivative liability. As a derivative liability, these features are initially recorded at their fair value on date of issuance and are marked to fair value at the end of each reporting period. Any changes in fair value results in noncash activity in other (income) expense in the consolidated statement of operations. As of December 31, 2011 and 2010, the fair value of the Derivative Liability was deemed to be zero and $33.1 million, respectively, and is classified as a noncurrent liability in the consolidated balance sheets. Due to changes in fair value of the derivative liability, $33.1 million of income and $14.5 million of expense was recorded to Fair Value Derivative Adjustment in our consolidated statements of operations for the years ended December 31, 2011 and 2010, respectively. See Note 4, “Fair Value of Financial Assets and Liabilities,” for additional discussion on the fair value adjustments.

Antidilution Adjustments—As noted above, all three classes of our preferred stock include antidilution adjustment provisions. The antidilution adjustment provisions are consistent across all three classes of the preferred stock in that if we issue or sell, or if we are deemed to have issued or sold, any Capital Stock for a consideration per share of Common Stock less than the Conversion Price in effect immediately prior to such time, the Conversion Price shall be reduced to the Conversion Price determined by dividing (a) an amount equal to the sum of (x) the product derived by multiplying the Conversion Price in effect immediately prior to such issuance or sale by the number of Shares of Common Stock Deemed Outstanding immediately prior to such issuance or sale, plus (y) the consideration, if any, received by us upon such issue on sale, by (b) the number of Shares of Common Stock Deemed Outstanding immediately after such issuance or sale; *provided* that no adjustment shall be made to the Conversion Price in connection with any issuance of Excluded Securities.

As of December 31, 2011, only the Junior Preferred Stock has been subject to antidilutive adjustments as a result of the issuance of additional Class A Preferred Stock in 2011 and 2010. The Class A Preferred Stock was issued with a conversion price below the conversion price of the Junior Preferred Stock as then in effect. Thus, the conversion price of the Junior Preferred Stock adjusted from $1,087 at December 31, 2009 to $1,075 at December 31, 2011. Neither the Class A Preferred Stock or the Class B Preferred Stock have required adjustment due to the issuance of the additional Class A Preferred Stock during 2011 and 2010, because such additional shares have the same conversion terms as the existing Class A Preferred Stock and Class B Preferred Stock.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

Common Stock—Our common stock is junior to the preferred stock and is subject to all the powers, rights, privileges, preferences, and priorities of the preferred stock.

Registration Rights—Under a Registration Rights Agreement executed at the time of the C-Corp Conversion, following an initial public offering, certain stockholders have the right to cause us to effect, at our expense, a registration of such holders' common stock under the Securities Act of 1933, as amended. There are no contingent payments associated with a failure to do so, and no liability has been recorded for the registration rights.

Preferred Stock Activity

December 31, 2009 Funding—Immediately following the C-Corp Conversion on December 31, 2009, we issued 3,661 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $36.6 million, of which $36.3 million was funded on December 31, 2009, and $0.3 million on January 4, 2010. The majority of the proceeds was invested by new investors. The preferred stock was recorded at its estimated fair value on the date of issuance. The proceeds were used to fund operations.

February 16, 2010 Funding—On February 16, 2010, we issued 350 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $3.5 million to existing investors on terms consistent with prior issuances of Class A Preferred Stock. The preferred stock was recorded at its estimated fair value on the date of issuance. The proceeds were used to fund operations.

Put/Call Option Agreement—On December 31, 2009, we entered into put/call option agreements ("put/call options") with certain investors, which enabled us to issue, or the investors to buy, up to an aggregate 2,500 shares of Class A Preferred Stock, at a price of $10,000 per share, at any time between April 1, 2010 and September 30, 2010. In 2010, we elected to exercise our put option, thus requiring the investors to fund the entire amount, and we received $25.0 million of proceeds.

The put/call options were considered a derivative liability per ASC 815 and were required to be initially recorded at fair value and marked to fair value at the end of each reporting period. Any changes in fair value result in noncash activity in other (income) expense in the consolidated statements of operations. As all of the put/call options were exercised as of July 1, 2010, we do not have any remaining derivative liability. As of December 31, 2009, the fair value of the derivative liability was deemed to be $0.5 million. Due to changes in fair value of the derivative liability, $0.8 million of expense was recorded to Fair Value Derivative Adjustment in our consolidated statements of operations during the year ended December 31, 2010. See Note 4, "Fair Value of Financial Assets and Liabilities," for additional discussion on the fair value adjustments.

As a result of all the put/call options being exercised, the associated Derivative Liability of $1.4 million as of the exercise date was reclassified as part of the carrying amount of the Class A Preferred Stock, and is accreted to the first redemption date for the Class A Preferred Stock, using the effective interest method.

January 28, 2011 Funding—On January 28, 2011, we issued 3,554 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $35.5 million to existing investors on terms consistent with prior issuances of Class A Preferred Stock. The preferred stock was recorded at its estimated fair value on the date of issuance. The proceeds were used to fund operations.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

June 30, 2011 Funding—On June 30, 2011, we issued 1,985 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $19.8 million to existing investors on terms consistent with prior issuances of Class A Preferred Stock. The preferred stock was recorded at its estimated fair value on the date of issuance. The proceeds were used to fund operations.

A summary of our preferred stock activity for the years ended December 31, 2011 and 2010, is as follows (in thousands):

	Preferred Stock			
	Class A	Class B	Junior	Total
Balance—December 31, 2009	$ 53,769	$216,593	$135,205	$405,567
February 16, 2010 funding	3,500	—	—	3,500
Exercise of put/call options	25,000	—	—	25,000
Allocation of additional embedded derivative upon issuance of additional preferred stock	(8,803)	—	—	(8,803)
Reclassification of derivative upon exercise of put/call options	1,357	—	—	1,357
Preferred stock return	4,462	13,801	—	18,263
Accretion of preferred stock	993	1,165	6,343	8,501
Balance—December 31, 2010	80,278	231,559	141,548	453,385
January 28, 2011 funding	38,095	—	—	38,095
June 30, 2011 funding	24,478	—	—	24,478
Allocation of embedded derivative upon issuance of preferred stock	(6,018)	—	—	(6,018)
Preferred stock return[(1)]	13,943	17,388	—	31,331
Accretion of preferred stock	1,913	1,625	6,643	10,181
Balance—December 31, 2011	$152,689	$250,572	$148,191	$551,452

(1) For 2011, we recorded an out of period preferred stock return adjustment of $1.6 million that should have been recorded in 2010, which reduced preferred stock return, and which management does not believe has a material effect on the financial statements. The adjustment is composed of an increase to the Class A Preferred Stock return of $0.8 million and a decrease to the Class B Preferred Stock return of $2.4 million.

4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

A three-tier fair value hierarchy has been established which prioritizes the inputs used in measuring fair value. These tiers include:

- *Level 1*—defined as observable inputs such as quoted prices in active markets;
- *Level 2*—defined as observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- *Level 3*—defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

As of December 31, 2011 and 2010, our carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt are representative of fair value because of the short-term nature of these instruments. The fair value of our long-term notes payable is not materially different than carrying value.

The following table presents assets and liabilities measured and recorded at fair value on a recurring basis and their level within the fair value hierarchy as of December 31, 2011 and 2010 (in thousands):

2011	Level 1	Level 2	Level 3	Total
Derivative liabilities	$ —	$ —	$9,640	$9,640

2010	Level 1	Level 2	Level 3	Total
Derivative liabilities	$ —	$ —	$62,362	$62,362

The following table presents the fair value reconciliation of Level 3 Derivative Liabilities measured at fair value on a recurring basis for the years ended December 31, 2011 and 2010 (in thousands):

	Class A Preferred Stock	Junior Preferred Stock	Put/Call Options	Total
Balance—December 31, 2009	$ 2,587	$ 18,595	$ 515	$ 21,697
Included in other (income) expense	17,882	14,495	842	33,219
Allocation of Class A Preferred Stock upon issuance	8,803	—	—	8,803
Reclassification upon exercise of put/call options	—	—	(1,357)	(1,357)
Balance—December 31, 2010	29,272	33,090	—	62,362
Included in other (income) expense	(25,650)	(33,090)	—	(58,740)
Allocation of Class A Preferred Stock upon issuance	6,018	—	—	6,018
Balance—December 31, 2011	$ 9,640	$ —	$ —	$ 9,640

As discussed in Note 3, “Preferred Stock and Common Stock,” our Class A Preferred Stock and Junior Preferred Stock include features that qualified as embedded derivatives. The embedded derivatives were bifurcated from the host contract and separately accounted for as a derivative liability. Additionally, we had a derivative associated with the put/call options until all were exercised during 2010 as described in Note 3, “Preferred Stock and Common Stock.” As derivative liabilities, these features are required to be initially recorded at the fair value on date of issuance and marked to fair value at the end of each reporting period, resulting in noncash activity in other (income) expense in our consolidated statements of operations. As of December 31, 2011, the value of embedded derivatives associated with our Junior Preferred Stock declined to zero as the fair value of the Junior Preferred Stock increased above $10,000 per share, the level at which the derivative liability is zero.

The fair values of the derivatives were valued using an income approach and a probability-weighted expected return method (“PWERM”) using Level 3 unobservable inputs, as the income approach and PWERM were deemed to best represent the valuation models investors would likely use in valuing us. Significant inputs used in valuing the derivative financial liabilities include our projected future cash flows, the timing of potential liquidity events and their probability of occurring, the discount rate used to calculate the present-value of the prospective cash flows, and a discount for the lack of marketability of our preferred and common stock.

In performing the annual impairment assessment of our FCC license, the fair value of the FCC license is determined using an income-based approach, considering both the Relief from Royalty and Greenfield methods

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

using Level 3 unobservable inputs, except that the Relief from Royalty method also uses a royalty rate assumption, which is a Level 2 input. Significant Level 3 inputs include projected future cash flows and the discount rate used to calculate the present value of the prospective cash flows.

5. NET LOSS PER SHARE

Basic and diluted net loss per share have been calculated in accordance with ASC 260 using the weighted-average number of common shares outstanding during the period. Our Class A Preferred Stock, Class B Senior Preferred Stock and Junior Preferred Stock are all considered participating securities requiring the two-class method to calculate basic and diluted earnings per share. In periods of a net loss attributable to common stock, the three classes of preferred stock are excluded from the computation of basic earnings per share due to the fact that they are not required to fund losses or the redemption amount is not reduced as a result of losses. For the years ended December 31, 2011 and 2010 basic and diluted losses per share were calculated using the two-class method. As our convertible debt was not considered a participating security and our preferred stock was issued on December 31, 2009, basic and diluted loss per share for the year ended December 31, 2009 was not required to be calculated under the two-class method.

As noted in Note 3, “Preferred Stock and Common Stock,” 66,000,000 Class A units were converted into 66,000 shares of common stock on December 31, 2009. The weighted-average common shares outstanding during the year ended December 31, 2009 was calculated based on the weighted-average Class A units outstanding during the year, converted into common stock, using the conversion rate that was used to convert the Class A units into shares of common stock on December 31, 2009 as noted above.

For the years ended December 31, 2011, 2010, and 2009 all outstanding ACM units, stock options, convertible preferred stock and convertible debt were excluded from the computation of diluted shares outstanding because they were anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share amounts):

	Year Ended December 31,		
	2011	2010	2009
Net income (loss)	$ 23,615	$ (113,379)	$ (142,266)
Less: Preferred stock return	31,331	18,263	—
Less: Accretion of preferred stock	10,181	8,501	—
Undistributed losses	$(17,897)	$ (140,143)	$ (142,266)
Allocation of undistributed losses to participating securities[(1)]:			
Common stock undistributed losses	$(17,897)	$ (140,143)	
Class A Preferred Stock undistributed losses	—	—	
Class B Preferred Stock undistributed losses	—	—	
Junior Preferred Stock undistributed losses	—	—	
Undistributed losses	$(17,897)	$ (140,143)	
Weighted-average common shares outstanding—basic	66	66	66
Weighted-average common shares outstanding—diluted	66	66	66
Net loss attributable to common stock per share—basic	$(271.17)	$(2,123.38)	$(2,155.55)
Net loss attributable to common stock per share—diluted	$(271.17)	$(2,123.38)	$(2,155.55)

(1) In periods of a net loss attributable to common stock, the three classes of preferred stock are excluded from the computation of basic earnings per share due to the fact that they are not required to fund losses or the redemption amount is not reduced as a result of losses.

6. INTANGIBLE ASSETS

Our intangible assets are comprised of both indefinite- and finite-lived intangible assets. In 2006, we were the successful bidders in a Federal Communications Commission ("FCC") auction of a nationwide 800 MHz Commercial Air-Ground Radiotelephone license (the "FCC License"). While the FCC License was issued with a 10-year term, such license is subject to renewal by the FCC, and renewals of licenses held by others have occurred routinely and at nominal cost. Moreover, we have determined that there are currently no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of the FCC License. As a result, the FCC License is treated as an indefinite-lived intangible asset and we do not amortize it. We reevaluate the useful life of the FCC License each reporting period to determine whether events and circumstances continue to support an indefinite useful life. As noted in Note 2, "Summary of Significant Accounting Policies," our annual impairment assessment of the FCC license for 2011, 2010, and 2009 indicated no impairment.

Our finite-lived intangible assets, other than software, relate exclusively to our BA segment. We amortize our finite-lived intangible assets on a straight-line basis over their estimated useful lives.

Our software relates to the development of internal use software which is used to run our network and to support our service offerings. Software also includes software which is embedded in the equipment that we sell to our customers within the BA segment.

During 2010, we changed the scope of an internally developed software project that was in the application development stage and was therefore capitalized. As a result, we recorded a loss on disposal of approximately $2.4 million related to that project in 2010, which was recorded in General and Administrative expenses in the consolidated statements of operations.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

Our Intangible Assets, other than goodwill, as of December 31, 2011 and 2010, were as follows (in thousands, except for weighted average remaining useful life):

	Weighted Average Remaining Useful Life (in years)	As of December 31, 2011 Gross Carrying Amount	2011 Accumulated Amortization	2011 Net Carrying Amount	2010 Gross Carrying Amount	2010 Accumulated Amortization	2010 Net Carrying Amount
Amortized intangible assets:							
Software	2.9	$46,817	$ (28,855)	$17,962	$36,579	$ (20,423)	$16,156
Trademark/trade name	—	2,852	(2,852)	—	2,852	(2,325)	527
Aircell Axxess technology	3.1	4,129	(3,271)	858	4,129	(2,995)	1,134
OEM and dealer relationships	5.1	6,724	(3,306)	3,418	6,724	(2,633)	4,091
Service customer relationships	—	981	(981)	—	981	(768)	213
Total amortized intangible assets	3.1	61,503	(39,265)	22,238	51,265	(29,144)	22,121
Unamortized intangible assets:							
FCC License		31,319	—	31,319	31,319	—	31,319
Total intangible assets		$92,822	$ (39,265)	$53,557	$82,584	$ (29,144)	$53,440

Amortization Expense for the years ended December 31, 2011, 2010, and 2009 was $10.1 million, $11.4 million and $9.5 million, respectively.

Amortization expense for the next five years and for the periods thereafter is estimated to be as follows (in thousands):

Years Ending December 31	Amortization Expense
2012	$ 7,225
2013	5,958
2014	4,091
2015	2,301
2016	1,909
Thereafter	754

Actual future amortization expense could differ from the estimated amount as the result of future investments and other factors.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

7. COMPOSITION OF CERTAIN BALANCE SHEET ACCOUNTS

Inventories as of December 31, 2011 and 2010, consist of the following (in thousands):

	2011	2010
Work in process component parts	$7,439	$4,426
Finished goods	1,684	1,423
Total inventories	$9,123	$5,849

Property and Equipment as of December 31, 2011 and 2010, consist of the following (in thousands):

	2011	2010
Office equipment, furniture, and fixtures	$ 12,078	$ 9,122
Leasehold improvements	5,497	5,462
Airborne equipment	122,357	102,575
Network equipment	70,420	57,372
	210,352	174,531
Accumulated depreciation	(59,408)	(37,387)
Property and equipment—net	$150,944	$137,144

Accrued Liabilities as of December 31, 2011 and 2010, consist of the following (in thousands):

	2011	2010
Employee benefits	$ 9,166	$ 4,986
Airline revenue share	2,845	2,832
Property, use, sales, and income tax	2,851	3,109
Airborne installation costs	1,626	315
Other	9,146	7,317
Total accrued liabilities	$25,634	$18,559

Changes in our warranty reserve for the years ended December 31, 2011 and 2010, consist of the following (in thousands):

	Warranty Reserve
Balance—January 1, 2010	$ 370
Accruals for warranties issued	284
Settlement of warranties	(239)
Balance—December 31, 2010	415
Accruals for warranties issued	1,254
Settlement of warranties	(997)
Balance—December 31, 2011	$ 672

Changes in our Asset Retirement Obligations for the years ended December 31, 2011 and 2010, consist of the following (in thousands):

	Asset Retirement Obligation
Balance—January 1, 2010	$ 1,143
Liabilities incurred	453
Liabilities settled	(8)
Accretion expense	169
Balance—December 31, 2010	1,757
Liabilities incurred	147
Liabilities settled	(17)
Accretion expense	225
Balance—December 31, 2011	$ 2,112

8. LONG-TERM DEBT AND OTHER LIABILITIES

Alaska Financing—On November 2, 2010, we entered into a $4.1 million standby credit facility agreement (the "Alaska Facility") with Alaska Airlines, Inc. ("Alaska Airlines") to finance the construction of ATG network sites in Alaska. The Alaska Facility has a six-year term and an interest rate of 10% per annum, compounded and payable quarterly. As of December 31, 2011 we had $2.5 million outstanding under the Alaska Facility. At December 31, 2010 we had $2.0 million outstanding under the Alaska Facility. No further draws can be made under the Alaska Facility after November 12, 2011 and principal amounts outstanding on such date are payable in quarterly installments over a five-year period commencing on November 12, 2011, or can be prepaid at any time without premium or penalty at our option. The Alaska Facility is secured by a first-priority interest in our cell tower leases and other personal property located at the cell sites in Alaska.

The Alaska Facility contains representations and warranties and affirmative and negative covenants customary for financings of this type. There are no financial covenants; however, other covenants include limitations on liens on the collateral assets as well as mergers, consolidations, and similar fundamental corporate events, and a requirement that we continue as the in-flight connectivity service provider to Alaska Airlines.

Pursuant to our equipment and revenue agreement with Alaska Airlines, the share of service revenue ("revenue share") we pay Alaska Airlines increases as long as any amounts are outstanding under the Alaska Facility. Alaska Airlines revenue share increases by 500 basis points for the one-year period following the first date on which our Gogo® service is used on the ATG network in Alaska, and 300 basis points thereafter, until the principal and all accrued interest is paid in full. This incremental Alaska Airlines' revenue share was an amount less than $0.1 million for each of the years ended December 31, 2011 and 2010 and is included in our consolidated statements of operations as part of our interest expense.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

Principal payments of our long-term debt over the next five years and thereafter are as follows (*in thousands*):

Years ending December 31,	Long-Term Debt
2012	$504
2013	$504
2014	$504
2015	$504
2016	$504
Thereafter	$ —

Term Loan—On June 13, 2008, the subsidiary that operates the BA segment borrowed $35.0 million under a term loan (the "Loan") with three banks (the "Banks") to finance our working capital requirements in connection with the launch of Gogo®. The Loan had a five-year term and was secured by a first-priority lien on our assets. We incurred approximately $2.6 million in debt issuance costs in connection with obtaining this Loan which were amortized over the term of the Loan.

The Loan had financial covenants we were not in compliance with as of December 31, 2008. This noncompliance constituted an event of default under the terms of the Loan. In April 2009, the Loan was amended as described below and the financial covenants for the periods ended December 31, 2008, and March 31, 2009, were waived to resolve the events of default. As part of this amendment, we repaid $15.0 million of principal on the Loan. As a result of this loan restructuring, we wrote-off a pro rata portion of the original deferred financing fees, which was recorded as a loss on extinguishment of debt.

As of June 30, 2009, we were again not in compliance with one of the Loan covenants. To remedy this event of default, we amended the Loan in September 2009 to accelerate repayment of the Loan and by October 30, 2009, all principal and interest on the Loan were paid in full. The liens on our assets were released and we have no further obligations to the Banks.

Letters of Credit—We maintain several letters of credit totaling $0.6 million and $2.4 million as of December 31, 2011 and 2010, respectively. The letters of credit require us to maintain restricted cash accounts in a similar amount, and are issued for the benefit of the landlords at our office locations in Itasca, Illinois; Bensenville, Illinois; and Broomfield, Colorado; and for the benefit of certain vendors in the ordinary course of business.

9. INTEREST COSTS

We capitalize a portion of our interest on funds borrowed during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and amortized over the useful lives of the assets. We did not capitalize interest during 2011 and 2010 as we incurred an immaterial amount of interest expense in 2011 and 2010.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

The following is a summary of our interest costs for the years ended December 31, 2011, 2010, and 2009 (in thousands):

	2011	2010	2009
Interest costs charged to expense	$280	$37	$30,067
Interest costs capitalized to property and equipment	—	—	108
Interest costs capitalized to software	—	—	143
Total interest costs	$280	$37	$30,318

10. BUSINESS SEGMENTS

We have two reportable segments: Commercial Aviation or “CA” and Business Aviation or “BA”.

CA Segment: Our CA business provides “Gogo®” branded in-flight connectivity and wireless digital entertainment solutions to commercial airline passengers, using our nationwide ATG network, our airborne equipment, and our exclusive nationwide ATG spectrum.

BA Segment: Our BA business provides equipment for in-flight connectivity along with voice and data services to the business aviation market. BA services include Gogo Biz, our in-flight broadband service that utilizes both our ATG network and our ATG spectrum, and satellite-based voice and data services through strategic alliances with satellite companies. Customers include business aircraft manufacturers, owners, and operators, as well as government and military entities.

The accounting policies of the operating segments are the same as those described in Note 2, “Summary of Significant Accounting Policies.” Transactions between segments are eliminated in consolidation. There are no revenue transactions between segments. We currently do not generate a significant amount of foreign revenue. We do not segregate assets between segments for internal reporting. Therefore, asset-related information has not been presented.

Management evaluates performance and allocates resources to each segment based on segment profit (loss), which is calculated internally as net income (loss) attributable to common stock before interest expense, interest income, income taxes, depreciation and amortization, and certain non-cash charges (including amortization of deferred airborne lease incentives, stock compensation expense, fair value derivative adjustments, Class A and Class B senior convertible preferred stock return, accretion of preferred stock, and loss on extinguishment of debt). Segment profit (loss) is a measure of performance reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and evaluating segment performance. In addition, segment profit (loss) is included herein in conformity with ASC 280-10, *Segment Reporting*. Management believes that segment profit (loss) provides useful information for analyzing and evaluating the underlying operating results of each segment. However, segment profit (loss) should not be considered in isolation or as a substitute for net income (loss) attributable to common stock or other measures of financial performance prepared in accordance with GAAP. Additionally, our computation of segment profit (loss) may not be comparable to other similarly titled measures computed by other companies.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

Information regarding our reportable segments is as follows (in thousands):

	For the Year Ended December 31, 2011		
	CA	BA	Total
Service revenue	$ 83,421	$20,497	$103,918
Equipment revenue	2,539	53,699	56,238
Total revenue	$ 85,960	$74,196	$160,156
Segment profit (loss)	$(25,820)	$25,008	$ (812)

	For the Year Ended December 31, 2010		
	CA	BA	Total
Service revenue	$ 48,318	$10,023	$ 58,341
Equipment revenue	1,072	35,246	36,318
Total revenue	$ 49,390	$45,269	$ 94,659
Segment profit (loss)	$(56,883)	$12,005	$(44,878)

	For the Year Ended December 31, 2009		
	CA	BA	Total
Service revenue	$ 9,269	$ 6,357	$ 15,626
Equipment revenue	1,552	19,664	21,216
Total revenue	$ 10,821	$26,021	$ 36,842
Segment profit (loss)	$(91,389)	$ 2,778	$(88,611)

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

A reconciliation of segment profit (loss) to the relevant consolidated amounts is as follows (in thousands):

	For the Years Ended December 31,		
	2011	2010	2009
CA segment loss[(1)]	$(25,820)	$ (56,883)	$ (91,389)
BA segment profit[(1)]	25,008	12,005	2,778
Total segment loss	(812)	(44,878)	(88,611)
Interest income	72	98	214
Interest expense	(280)	(37)	(30,067)
Depreciation and amortization	(32,673)	(30,991)	(21,898)
Amortization of deferred airborne lease incentive[(2)]	1,456	522	—
Stock compensation expense	(1,795)	(1,614)	(320)
Fair value derivative adjustment	58,740	(33,219)	—
Loss on extinguishment of debt	—	—	(1,577)
Other expense	(40)	—	—
Other miscellaneous unallocated expenses	—	—	(7)
Income (loss) before income taxes	$ 24,668	$(110,119)	$(142,266)

(1) Included within our CA segment are certain corporate office operating expenses that are shared by both our CA and BA segments. As these operating expenses are not deemed material to either the CA or BA segment, or in consolidation, we do not allocate any portion of these expenses to the BA segment.

(2) Amortization of deferred airborne lease incentive only relates to our CA segment. See “Arrangements with Commercial Airlines” section of Note 15, “Leases” for further information.

Major Customers and Airline Partnerships—In 2011 and 2010, no customer accounted for more than 10% of our consolidated revenue. In 2009, one BA customer accounted for approximately 13% of our consolidated revenue. In CA, one party made up approximately 38% of consolidated accounts receivable at December 31, 2011, of which a significant portion was paid in February 2012. In CA, a different party made up approximately 49% of consolidated accounts receivable at December 31, 2010, which receivable was paid in full in February 2011.

In our CA segment, revenue from passengers using the Gogo service while flying on aircraft owned by two of our airline partners accounted for 34% of consolidated revenue for each the years ended December 31, 2011 and 2010. Revenue generated from passengers using the Gogo service while flying on aircraft owned by our airline partners did not exceed 10% of consolidated revenue for any individual airline partner for the year ended December 31, 2009.

11. SHARE-BASED COMPENSATION

We have the following employee share-based compensation plans as of December 31, 2011:

- The Aircell Holdings Inc. Stock Option Plan (the “2010 Plan”) and
- AC Management LLC (the “2007 Plan”).

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

The following is a summary of our Share-Based Compensation Expense for the years ended December 31, 2011, 2010, and 2009 (in thousands):

	2011	2010	2009
2010 Plan	$1,763	$1,561	$ —
2007 Plan	32	53	320
Total	$1,795	$1,614	$320

2010 Plan—In June 2010 the Board of Directors and stockholders approved the 2010 Plan, which became effective on June 2, 2010. The 2010 Plan contemplates the issuance of options to purchase our common stock to eligible employees, directors, consultants, and others as determined by the Compensation Committee of our Board of Directors. Under the 2010 Plan, 27,477 shares of common stock were reserved for issuance as of December 31, 2010. On December 14, 2011, our Board of Directors approved an amendment to the 2010 Plan to increase the number of shares of common stock available for grant under the plan from 27,477 to 41,925. In December 2011, following the approval of the amendment, grants of stock options to employees to purchase an aggregate amount of 10,455 shares of our common stock at an exercise price of $1,830.96 were awarded to various employees and one director. Such option awards vest in equal annual installments over a four-year period and have a contractual life of 10 years. As of December 31, 2011, 4,665 shares remained available for grant.

The 2010 Plan generally includes two groups of options:

- Options that vest 20% upon grant with the remainder vesting in equal annual increments over a four-year period, or
- Options that vest in equal annual increments over a four-year period.

The contractual life of granted options is 10 years. All options that are unvested as of the date on which a recipient's employment terminates, as well as vested options that are not exercised within a prescribed period following termination, are forfeited and become available for future grants.

A summary of stock option activity for the year ended December 31, 2011, is as follows:

	Number of Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options outstanding—January 1, 2011	26,275	$ 935.18	9.36	$ —
Granted	11,305	$1,763.61		
Exercised	—			
Forfeited	(262)	$ 935.18		
Expired	(58)	$ 935.18		
Options outstanding—December 31, 2011	37,260	$1,186.53	8.88	$15,558
Options exercisable—December 31, 2011	9,111	$ 935.18	8.37	$ 5,288
Options vested and expected to vest —December 31, 2011	35,613	$1,172.27	8.85	$15,200

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

There were no stock options exercised during 2011 and 2010. As of December 31, 2011, total unrecognized compensation costs related to unvested stock options were approximately $9.6 million which is expected to be recognized over a weighted average period of 2.8 years. The total grant date fair value of stock options vested in 2011 and 2010 was approximately $1.6 million and $0.6 million, respectively.

As noted in Note 2, “Summary of Significant Accounting Policies,” we estimate the fair value of stock options using the Black-Scholes option-pricing model. Weighted average assumptions used and weighted average grant date fair value of stock options granted for the years ended December 31, 2011 and 2010, were as follows:

	2011	2010
Approximate risk-free interest rate	1.2%	2.6%
Average expected life	6.25-years	6-years
Dividend yield	N/A	N/A
Volatility	44.7%	73.8%
Weighted average grant date fair value of common stock underlying options granted	$1,464.71	$457.14
Weighted average grant date fair value of stock options granted	$ 572.21	$240.41

The risk-free interest rate assumptions were based on the U.S. Treasury yield curve for the term that mirrored the expected term in effect at the time of grant. The expected life of our stock options was determined based upon a simplified assumption that the stock options will be exercised evenly from vesting to expiration, as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected life. The dividend yield was based on expected dividends at the time of grant. The expected volatility was based on calculated enterprise value volatilities for publicly traded companies in the same industry and general stage of development.

2007 Plan—ACM is a separate limited liability company (LLC) established solely for the purpose of granting ownership interests to members of management. The 2007 Plan was initiated on March 1, 2007, and the initial grants under the 2007 Plan were deemed to occur on that date for accounting purposes, though more than 90% of the ACM units were committed prior to March 1, 2007. The initial grants have vesting periods that began at various dates between July 1, 2006 and March 1, 2007, based on the grantees’ employment dates. In accordance with the tax regulations associated with net profits interests plans, a plan participant who receives an ACM Unit only participates in the equity value created after the issuance of the ACM Unit to the participant. Approximately 13.8 million outstanding ACM units were granted with a vesting period commencing on July 1, 2006, and participate in the full value of the ACM unit. No cash is paid by the employee to us upon vesting of the ACM unit.

Prior to December 31, 2009, ACM owned all of the issued and outstanding Class B units of HoldCo, and the value of the ACM units, in aggregate, was derived from the value of the Class B units, in aggregate. ACM units generally vest over a four-year period, and there is no limit to the period of time over which the 2007 Plan participant can hold ACM units, although upon termination of employment, any unvested ACM units held by the participant are forfeited. As a practice, forfeited units become available for future grants. At December 31, 2011 and 2010, 393,515 and 379,712 ACM units were authorized and available to grant, respectively.

As part of the C-Corp Conversion, ACM exchanged the HoldCo Class B units it held for approximately 7,975 shares of our common stock. At December 31, 2011, there were 16,966,667 authorized and 16,573,152

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

outstanding ACM units representing a proportionate interest in the 7,975 shares of common stock, or 0.000470 shares of common stock per ACM unit. Assuming the Company completes its planned initial public offering of common stock, then following completion of such offering of common stock, all participants in the plan will receive a proportionate distribution of common stock of the Company with respect to the number of vested units that they hold, and common stock attributable to forfeited units will be allocated among participants then currently employed by or serving as a director of the Company in amounts determined by the Compensation Committee. Common stock in respect of unvested units will be retained in escrow until the units vest, after which they will be also be paid out in common stock of the Company.

Nonvested ACM units forfeited and vested under the 2007 Plan in 2010 are as follows:

	Number of ACM Units	ACM Unit Weighted Average Grant Date Fair Value
Nonvested outstanding—January 1, 2011	334,118	$ 0.22
Forfeited	(13,802)	
Vested	(203,559)	
Nonvested outstanding—December 31, 2011	116,757	$ 0.18

As noted in Note 2, “Summary of Significant Accounting Policies,” we estimate the fair value of each ACM unit grant on the date of grant using a Black-Scholes option-pricing model. We did not grant any ACM Units during the year ended December 31, 2011. Weighted average assumptions used and the fair value per ACM Unit granted for the years ended December 31, 2010 and 2009, were as follows:

	2010	2009
Approximate risk-free interest rate	2.40%	0.70%
Average expected life	5-years	5-years
Dividend yield	N/A	N/A
Volatility	61.1%	70.0%
Fair value per ACM Unit granted	$ 0.05	$ 0.14

The risk-free interest rate assumptions were based on the U.S. Treasury yield curve for the term that mirrored the expected term in effect at the time of grant. There is no term for the ACM unit grant; therefore, management made the assumption of what the expected life of the grant will be based on the vesting period and the expected timing of a liquidity event for the ACM units. The ACM units have characteristics significantly different from those of traded options, and changes in the subjective input assumptions can materially affect the fair value estimate. The dividend yield was based on expected dividends at the time of grant. The expected volatility was based on calculated enterprise value volatilities for publicly traded companies in the same industry and general stage of development.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

12. EMPLOYEE BENEFIT PLANS

401(k) Plan—Under our 401(k) plan, all employees who are eligible to participate in the 401(k) plan are entitled to make tax-deferred contributions of up to 15% of annual compensation, subject to Internal Revenue Service limitations. We match 100% of the employee's first 4% of contributions made, subject to annual limitations. Our matching contributions for the years ended December 31, 2011, 2010, and 2009, were $0.9 million, $0.8 million, and $0.7 million, respectively.

Bonus Arrangements—We did not pay cash bonuses under the discretionary incentive plan in 2008. We did commit, however, to paying these bonuses to CA employees in the future if certain conditions were satisfied. In February 2010, we paid $0.4 million under the 2008 plan to CA employees below the Vice President level. We have committed to pay bonuses to CA employees at and above the Vice President level if and when we achieve positive free cash flow for one fiscal quarter. In general, to be eligible for such bonus payouts, the employee must remain employed by us on the payment date. The amount of the contingent payout is approximately $0.7 million in the aggregate, but such amount has not been accrued as of December 31, 2011, as the payout cannot be deemed probable at this time, given our history of negative free cash flow. We did not implement a cash bonus plan in 2009. In 2010, we implemented a cash bonus plan and had $3.1 million accrued as of December 31, 2010, which was paid in full on March 31, 2011. In 2011, we implemented a cash bonus plan and had $7.0 million accrued as of December 31, 2011 related to this plan.

13. INCOME TAX

We operated as a limited liability company treated as a partnership for U.S. federal income tax purposes prior to the conversion into a corporation on December 31, 2009. Accordingly, our taxable income and losses for 2009 and prior periods were reported in the income tax returns of our members and no provision for federal or state income taxes has been recorded in the accompanying consolidated financial statements, as any tax expense is considered immaterial.

Significant components of the provision for income taxes for the years ended December 31, 2011, 2010 and 2009, are as follows (in thousands):

	2011	2010	2009
Currently payable:			
Federal	$ —	$ —	$—
State	117	50	—
	117	50	—
Deferred:			
Federal	872	2,958	—
State	64	252	—
	936	3,210	—
Total	$1,053	$3,260	$—

For 2010, we recorded an out of period valuation allowance adjustment of $2.5 million in our provision that should have been recorded in 2009, and which management believes did not have a material effect on the financial statements.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

The provision for income taxes differs from income taxes computed at the federal statutory tax rates for the years ended December 31, 2011 and 2010 as a result of the following items:

	2011	2010
Federal statutory rate	35.0%	34.0%
Effect of:		
State income taxes—net of federal tax benefit	2.9	2.9
Fair value derivative adjustment	(90.2)	(11.1)
Change in valuation allowance	56.6	(28.8)
Effective tax rate	4.3%	(3.0)%

Components of the net deferred income tax asset as of December 31, 2011 and 2010 are as follows (in thousands):

	2011	2010
Deferred income tax assets:		
Compensation accruals	$ 3,049	$ 1,550
Stock options	1,259	576
Inventory	156	188
Warranty reserves	255	153
Other	448	80
Deferred rent	1,599	1,640
Deferred revenue	8,893	3,710
Federal net operating loss (NOL)	33,234	25,983
State NOL	2,747	2,211
UNICAP adjustment	3,704	3,317
Finite-lived intangible assets	22,699	19,993
Total deferred income tax asset	78,043	59,401
Deferred income tax liabilities:		
Fixed assets	(3,811)	(410)
Indefinite-lived intangible assets	(4,146)	(3,210)
Other	(86)	(129)
Total deferred income tax liabilities	(8,043)	(3,749)
Total deferred income tax	70,000	55,652
Valuation allowance	(74,146)	(58,862)
Net deferred income tax liability	$ (4,146)	$ (3,210)

We evaluate the need for valuation allowances on the net deferred tax assets under the rules of ASC 740, *Income Taxes* (“ASC 740”). In assessing the realizability of the deferred tax assets, we considered whether it is more likely than not that some portion or all of the deferred tax assets would not be realized through the generation of future taxable income. We generated net losses in fiscal years 2011, 2010 and 2009, which means we are in a domestic three-year cumulative loss position. As a result of this and other assessments in fiscal 2011, we concluded that in accordance with ASC 740, a full valuation allowance is required for all deferred tax assets and liabilities except for deferred tax liabilities associated with indefinite-lived intangible assets.

At the end of 2011 we evaluated the applicable tax rate at which we expect the reversal of our temporary differences to occur. Temporary differences are differences between the financial reporting basis and the tax basis of an asset or liability that will result in taxable income or a deduction in future years when the reported amount of the asset or liability is recorded or settled, respectively. Because the applicable tax rate is based on the period in which the reversal of the temporary differences is expected to impact taxes payable, we have increased the applicable tax rate from 34% to 35%.

As of December 31, 2011, the federal net operating loss ("NOL") carryforward amount was approximately $95 million and the state NOL carryforward amount was approximately $59 million. The federal NOLs begin to expire in 2031. The state NOLs expire in various tax years beginning in 2016.

Utilization of our NOL and tax credit carryforwards may be subject to substantial annual limitations due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. Such annual limitations could result in the expiration of the NOL and tax credit carryforwards before their utilization. The events that may cause ownership changes include, but are not limited to, a cumulative stock ownership change of greater than 50% over a three-year period.

We are subject to taxation in the United States and various states. With few exceptions, as of December 31, 2011, we are no longer subject to U.S. federal, state, or local examinations by tax authorities for years before 2008.

We had no unrecognized income tax benefits as of December 31, 2011 and 2010, and had no activity related to unrecognized income tax benefits for the years ended December 31, 2011 and 2010.

We record penalties and interest relating to uncertain tax positions in the income tax provision line item in the consolidated statement of operations. No penalties or interest related to uncertain tax positions were recorded for the years ended December 31, 2011, 2010 or 2009. As of December 31, 2011 and 2010, we did not have a liability recorded for interest or potential penalties.

We do not expect that there will be a material change in the unrecognized tax benefits within the next 12 months.

14. SKYSURF

On July 27, 2011 we entered into a spectrum manager lease agreement ("Spectrum Agreement") with SkySurf Canada Communications Inc. ("SkySurf"). The Spectrum Agreement, which is subject to regulatory approvals, provides for our exclusive rights to use SkySurf's Air-Ground Spectrum Licenses in Canada. The Spectrum Agreement has an initial term of ten years, which commences when regulatory approval is obtained. The Spectrum Agreement is renewable at our option for ten years and subsequently further for five years. The terms of the Spectrum Agreement calls for us to pay SkySurf an initial deposit of 0.2 million Canadian Dollars, which is equivalent to approximately U.S. $0.2 million, upon the execution of the agreement. If regulatory approval is obtained we are to pay SkySurf a one-time payment of 3.3 million Canadian Dollars, which is equivalent to approximately U.S. $3.2 million, less the initial deposit. We are to pay SkySurf 0.1 million Canadian Dollars, which is equivalent to U.S. $0.1 million, monthly upon the commencement of the initial ten-year term. Additionally, we are to pay 2 thousand Canadian Dollars, which is equivalent to approximately U.S. $2 thousand, per month per cell site in the Spectrum Agreement territory once the cell site has been completed and 100 Canadian Dollars, which is equivalent to approximately U.S. $98, per month per Canadian commercial aircraft to which we provide our service at any time during the month.

As the Spectrum Agreement is for our exclusive use of a license, which is considered an indefinite-lived intangible asset and thus not property, plant, or equipment, the agreement is not considered a lease for accounting purposes. As such, we will record the one-time payment of 3.3 million Canadian Dollars as an asset in our consolidated balance sheet at the time of payment. The 3.3 million Canadian Dollar one-time payment will then be amortized on a straight-line basis over the estimated term of the agreement. The monthly payments will be expensed as incurred.

15. LEASES

Arrangements with Commercial Airlines—As discussed in Note 2, "Summary of Significant Accounting Policies," we place our equipment on commercial aircraft operated by commercial airlines for the purpose of delivering the Gogo® service to the airlines' passengers. Under connectivity agreements representing a majority of aircraft online as of December 30, 2011, we maintain legal title to our equipment; however, some of our airline partners make an upfront payment and take legal title to such equipment. The majority of the equipment transactions where legal title transfers are not deemed to be sales transactions. We account for these transactions as operating leases of space for our equipment on the aircraft. Any upfront equipment payments are accounted for as a lease incentive and recorded as Deferred Airborne Lease Incentive on our balance sheets and are recognized as a reduction of the Cost of Service Revenue on a straight-line basis over the term of the contract with the airline. We recognized $1.5 million and $0.5 million for the years ended December 31, 2011 and 2010, respectively, as a reduction to our Cost of Service Revenue in our consolidated statements of operations. The Deferred Airborne Lease Incentive of $2.5 million and $1.1 million as of December 31, 2011 and 2010, are included in current liabilities, respectively, and $19.8 million and $9.1 million as of December 31, 2011 and 2010 are included in noncurrent liabilities, respectively, in our consolidated balance sheets. We had no similar upfront payments prior to 2010.

The revenue share paid to the airlines represents an operating lease payment and is deemed to be contingent rental payments, as the payments due to each airline are based on a percentage of our CA service revenue generated from that airline's passengers, which is unknown until realized. As such, we cannot estimate the lease payments due to an airline at the commencement of our contract with such airline. Rental expense related to the arrangements with commercial airlines, included in Cost of Service Revenue, is primarily comprised of these revenue share payments, offset by the amortization of the Deferred Airborne Lease Incentive discussed above, and totaled $8.5 million, $4.6 million and $0.9 million in 2011, 2010 and 2009, respectively.

Leases and Cell Site Contracts—We have lease agreements relating to certain facilities and equipment, which are considered operating leases. Rent expense for such operating leases was $4.3 million, $4.6 million, and $4.1 million for the years ended December 31, 2011, 2010, and 2009, respectively. Additionally, we have operating leases with wireless service providers for tower space and base station capacity on a volume usage basis ("cell site leases"), some of which provide for minimum annual payments. Our cell site leases generally provide for an initial noncancelable term of up to five years with up to four five-year renewal options. Total cell site rental expense was $5.5 million, $5.2 million, and $4.4 million for the year ended December 31, 2011, 2010, and 2009, respectively.

GOGO INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)
AS OF DECEMBER 31, 2011 AND 2010, AND
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010, AND 2009
(In thousands, except share, unit, and per share data)

Annual future minimum obligations for operating leases, other than the arrangements we have with our commercial airline partners, as of December 31, 2011, are as follows (in thousands):

Years Ending December 31	Operating Leases
2012	$ 9,613
2013	6,506
2014	4,811
2015	3,835
2016	3,123
Thereafter	20,921

Equipment Leases—In 2011, we began leasing certain computer equipment. These leases are capital leases and interest has been imputed with an annual interest rate of 10.0%. As of December 31, 2011 these leases were classified as part of office equipment, furniture, and fixtures in our consolidated balance sheets at a gross cost of $0.4 million. Annual future minimum obligations under capital leases, as of December 31, 2011, are as follows (*in thousands*):

Years ending December 31,	Capital Leases
2012	$ 144
2013	144
2014	81
2015	1
2016	—
Thereafter	—
Total minimum lease payments	370
Less: Amount representing interest	(46)
Present value of net minimum lease payments	$ 324

The $0.3 million present value of net minimum lease payments as of December 31, 2011 has a current portion of $0.1 million and a non-current portion of $0.2 million.

16. RESEARCH AND DEVELOPMENT COSTS

As noted in Note 2, “Summary of Significant Accounting Policies” research and development costs are expensed as incurred. For the years ended December 31, 2011, 2010, and 2009, research and development costs were $16.9 million, $13.5 million and $17.3 million, respectively, and are reported as a component of Engineering, Design and Development expenses in our consolidated statements of operations.

17. COMMITMENTS AND CONTINGENCIES

Contractual Commitments— We have an agreement with a third party under which the third party develops software that is used in providing in-flight connectivity services. Cash obligations under this agreement include the payment of $1.5 million on each of the first three anniversary dates of the final developmental

milestone date in the agreement for a total of $4.5 million in milestone payments. As of September 30, 2011 all milestone payments had been made, with the final payment of $1.5 million being made in September 2011. On April 11, 2011, we entered into an additional contractual agreement under which the same third party will develop second generation software that will be used in providing our in-flight connectivity services. Cash obligations under this agreement include three milestone installment payments of $1.9 million each for total consideration of $5.6 million. We made the first milestone payment of $1.9 million in May 2011 and the second milestone payment of $1.9 million in January 2012. We anticipate making the remaining $1.9 million milestone payment in the third quarter of 2012.

In the CA business, two airline contracts allow the airline to terminate the contract should the percentage of passengers using Gogo®'s service on the airline's flights, which we define as take rate, not meet certain thresholds as defined in the contract. We currently experience take rates in excess of the take rate percentage specified in the two airline contracts.

Indemnifications and Guarantees—In accordance with Delaware law, we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under this indemnification is uncertain and may be unlimited, depending upon circumstances; however, our Directors' and Officers' insurance does provide coverage for certain of these losses.

In the ordinary course of business, we may occasionally enter into agreements pursuant to which we may be obligated to pay for the failure of performance of others, such as the use of corporate credit cards issued to employees. Based on historical experience, we do not believe that any material loss related to such guarantees is likely.

We have entered into a number of agreements, including our agreements with commercial airlines, pursuant to which we indemnify the other party for losses and expenses suffered or incurred in connection with any patent, copyright, or trademark infringement or misappropriation claim asserted by a third party with respect to our equipment or services. The maximum potential amount of future payments we could be required to make under these indemnification agreements is uncertain and is typically not limited by the terms of the agreements.

American Airlines Bankruptcy—On November 29, 2011, American Airlines filed for reorganization under Chapter 11 of the United States Bankruptcy Code. While American Airlines has announced that it will continue to operate its business and fly normal flight schedules, there can be no assurance that the filing will not have an adverse affect on our revenue or results of operations in the short- or long-term. Revenue from passengers purchasing our service while flying on aircraft owned by American Airlines accounted for approximately 10% of consolidated revenue for the years ended December 31, 2011 and 2010.

Advanced Media Networks Litigation—On December 19, 2011, Advanced Media Networks, L.L.C. filed suit in the United States District Court for the Central District of California against us for allegedly infringing one of its patents and seeking injunctive relief that would affect both our CA business and BA business and unspecified monetary damages. We have not accrued any liability related to this matter because, due to the early stage of this litigation, a range of possible loss, if any, cannot be determined. Based on currently available information, we believe that we have strong defenses and intend to defend against this lawsuit vigorously, but the

outcome of this matter is inherently uncertain and may have a material effect on our financial position, results of operations and cash flows.

18. SUBSEQUENT EVENTS

We have evaluated subsequent events through March 21, 2012, which is the date the financial statements were available to be issued.

On January 23, 2012, we received a letter from Southwest Airlines Co. notifying us that AirTran Airways, which became a wholly-owned subsidiary of Southwest Airlines Co. on May 2, 2011, would be deinstalling our internet connectivity equipment from its fleet as part of the process by which Southwest Airlines' and AirTran's fleets will be merged. On March 7, 2012, we filed for a preliminary injunction in the Circuit Court of Cook County, Illinois, barring AirTran from proceeding with the deinstallation in violation of our connectivity agreement with AirTran. Revenue from passengers using the Gogo service while flying on aircraft operated by AirTran accounted for less than 5% of our consolidated revenue for each of the years ended December 31, 2011 and 2010. If we do not succeed in our attempt to enjoin AirTran from deinstalling our equipment, our results of operations would be adversely affected.

******

Table of Contents

Table of Contents

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the estimated expenses payable by us in connection with the sale and distribution of the securities registered hereby, other than underwriting discounts or commissions. All amounts are estimates except for the SEC registration fee and the Financial Industry Regulatory Authority filing fee.

SEC Registration Fee	$ 11,460.00
FINRA Filing Fee	$ 10,500.00
Stock Exchange Listing Fee	$ *
Printing Fees and Expenses	$ *
Accounting Fees and Expenses	$ *
Legal Fees and Expenses	$ *
Blue Sky Fees and Expenses	$ *
Transfer Agent Fees and Expenses	$ *
Miscellaneous	$ *
Total:	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

Delaware General Corporation Law. Under the Section 145 of the Delaware General Corporation Law ("DGCL"), a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding (i) if such person acted in good faith and in a manner that person reasonably believed to be in or not opposed to the best interests of the corporation and (ii) with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe such conduct was unlawful. In actions brought by or in the right of the corporation, a corporation may indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner that person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which that person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person in fairly and reasonably entitled to indemnification for such expenses which the Court of Chancery or other such court shall deem proper. To the extent that such person has been successful on the merits or otherwise in defending any such action, suit or proceeding referred to above or any claim, issue or matter therein, he or she is entitled to indemnification for expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. The indemnification and advancement of expenses provided for or granted pursuant to Section 145 of the DGCL is not exclusive of any other rights of indemnification or advancement of expenses to which those seeking indemnification or advancement of expenses may be entitled, and a corporation may purchase and maintain insurance against liabilities asserted against any former or current, director, officer, employee or agent of the corporation, or a person who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether or not the power to indemnify is provided by the statute.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for any breach of the director's duty of loyalty to the corporation or its stockholders, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or for any transaction from which the director derived an improper personal benefit. Our amended and restated certificate of incorporation provides for such limitation of liability.

Certificate of Incorporation. Our amended and restated certificate of incorporation to be effective on the completion of this offering will provide that we shall, to the fullest extent authorized by the DGCL, indemnify any person made, or is threatened to be made, a party to any action, suit or proceeding (whether civil, criminal or otherwise) by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Company or is or was serving at the request of the Company as a director, officer or trustee of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such action, suit or proceeding is alleged action or inaction in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee; provided, however, that we shall indemnify any such person in connection with an action, suit or proceeding (or part thereof) initiated by such person only if such action, suit or proceeding (or part thereof) was authorized by our board of directors. We may, by action of our board of directors, provide indemnification to employees and agents of the Company with the same scope and effect as the foregoing indemnification of directors, officers and trustees. Our amended and restated certificate of incorporation will provide that no director of the Company shall be personally liable to the Company or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Company or our stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit.

Bylaws. Our amended and restated bylaws to be effective on the completion of this offering will provide that we shall, to the fullest extent permitted by law, indemnify any person made or threatened to be made a party or is otherwise involved in any action, suit or proceeding (whether civil, criminal or otherwise) by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise; provided, however, we shall indemnify any such person in connection with an action, suit or proceeding initiated by such person, including a counterclaim or crossclaim, if such action, suit or proceeding was authorized by our board of directors.

Indemnification Agreements. In addition to the provisions of our amended and restated certificate of incorporation and amended and restated bylaws described above, we plan to enter into indemnification agreements with each of our directors and executive officers. The form of agreement that we anticipate adopting provides that we will indemnify each of our directors, executive officers and such other key employees against any and all expenses incurred by that director, executive officer or other key employee because of his or her status as one of our directors, executive officers or other key employees, to the fullest extent permitted by Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws. In addition, we anticipate that the form agreement will provide that, to the fullest extent permitted by Delaware law, we will advance all expenses incurred by our directors, executive officers and other key employees in connection with a legal proceeding.

D&O Insurance. We maintain standard policies of insurance under which coverage is provided to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act, and to us with respect to payments which may be made by us to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

Item 15. Recent Sales of Unregistered Securities.

On December 31, 2009, in connection with the two-step merger whereby the registrant converted from a limited liability company to a Delaware corporation, all of its outstanding Senior Convertible Notes and Senior Subordinated Secured Convertible Promissory Notes, along with accrued interest as of December 31, 2009, were converted into one of three classes of convertible preferred stock. In addition, our two classes of unit ownership, Class A Units and Class B Units, were converted into shares of our common stock.

On December 31, 2009, immediately following the merger and conversion, we issued 3,661 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $36.6 million primarily to new investors, of which $36.3 million was funded on December 31, 2009 and $0.3 million on January 4, 2010. Immediately prior to completion of this offering, these shares of Class A Preferred Stock will convert into shares of the Registrant's common stock.

On February 16, 2010, the registrant issued 350 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $3.5 million. Immediately prior to completion of this offering, these shares of Class A Preferred Stock will convert into shares of the Registrant's common stock.

In June 2010, the registrant elected to exercise its put option, pursuant to agreements entered into with certain existing investors, in full and issued 2,500 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $25.0 million, of which $21.1 million was funded on June 30, 2010 and $3.9 million on July 1, 2010. Immediately prior to completion of this offering, these shares of Class A Preferred Stock will convert into shares of the Registrant's common stock.

On January 28, 2011, the registrant issued 3,554 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $35.5 million to existing investors. Immediately prior to completion of this offering, these shares of Class A Preferred Stock will convert into shares of the Registrant's common stock.

On June 30, 2011, the registrant issued 1,985 shares of Class A Preferred Stock at a price of $10,000 per share for total proceeds of $19.8 million to existing investors. Immediately prior to completion of this offering, these shares of Class A Preferred Stock will convert into shares of the Registrant's common stock.

From January 1, 2010 through February 29, 2012, the registrant granted stock options to purchase [38,024] shares of the registrant's common stock at exercise prices ranging from $[935.18] to $[1,803.96] per share to executive officers, employees and directors under the registrant's Stock Option Plan (the "2010 Plan").

Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder), or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with the Registrant, to information about the Registrant. The sales of these securities were made without any general solicitation or advertising.

There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

Item 16. Exhibits and Financial Statement Schedules.

Exhibits

Certain of the agreements included as exhibits to this prospectus contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

The registrants acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, they are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this registration statement not misleading.

Exhibit Numbers	Description
1.1*	Form of Underwriting Agreement
2.1**	Agreement and Plan of Merger, dated as of December 31, 2009, among AC HoldCo LLC, AC Holdco Inc., and AC Holdco Merger Sub Inc.
2.2**	Agreement and Plan of Merger, dated as of December 31, 2009 between AC Holdco Inc. and AC HoldCo LLC
3.1*	Form of Amended and Restated Certificate of Incorporation to be effective upon completion of the offering
3.2*	Form of Amended and Restated Bylaws to be effective upon completion of the offering
4.1*	Form of Common Stock Certificate
4.2*	Stockholders Agreement, dated as of December 31, 2009, among AC Holdco Inc. and certain stockholders named on the signature pages thereto
4.3**	Registration Rights Agreement, dated as of December 31, 2009, by and between AC Holdco Inc. and the Class A Holders, the Ripplewood Investors, the Thorne Investors and the other investors named therein
5.1*	Opinion of Debevoise & Plimpton LLP
10.1.1†	Amended and Restated In-Flight Connectivity Services Agreement, dated as of April 7, 2011, between Delta Air Lines, Inc. and Aircell LLC
10.1.2†	Second Amended and Restated In-Flight Connectivity Services Agreement, dated as of April 11, 2011, between American Airlines, Inc. and Aircell LLC
10.1.3*	Development Agreement, dated as of September 4, 2007, by and between QUALCOMM Incorporated and Aircell LLC
10.1.4*	Letter Amendment to the Development Agreement, dated as of December 19, 2007, by and between QUALCOMM Incorporated and Aircell LLC
10.1.5*	Amendment No. 1 to the Development Agreement, dated as of December 11, 2008, by and between QUALCOMM Incorporated and Aircell LLC

Exhibit Numbers	Description
10.1.6*	Amendment No. 2 to the Development Agreement, dated as of April 11, 2011, by and between QUALCOMM Incorporated and Aircell LLC
10.1.7*	Letter Amendment to the Development Agreement, dated as of February 8, 2008, by and between QUALCOMM Incorporated and Aircell LLC
10.1.8†	Development, Test, and Deployment Products Standard Terms and Conditions, dated as of September 26, 2007, by and between QUALCOMM Incorporated and Aircell LLC
10.1.9†	Manufacturing Services and Product Supply Agreement, dated September 4, 2007, by and between Aircell LLC and QUALCOMM Incorporated
10.1.10†	Amendment No. 1 to Manufacturing Services and Product Supply Agreement, dated as of March 3, 2010 by and between QUALCOMM Incorporated and Aircell LLC
10.1.11†	Amendment No. 2 to Manufacturing Services and Product Supply Agreement, dated as of April 8, 2011 by and between QUALCOMM Incorporated and Aircell LLC
10.1.12†	Master Supply and Services Agreement, dated as of August 17, 2011 by and between ZTE USA, Inc. and Gogo LLC
10.1.13†	Iridium Global Service Provider Agreement, dated as of July 23, 2002, by and between Iridium Satellite LLC and Aircell, Inc.
10.1.14†	Letter Amendment to the Iridium Global Service Provider Agreement, dated July 30, 2002, between Iridium Satellite LLC and Aircell, Inc.
10.1.15†	Iridium Value Added Manufacturer Agreement, dated as of January 20, 2003, by and between Iridium Satellite LLC and Aircell, Inc.
10.1.16†	Iridium Global Value Added Reseller Agreement, dated as of March 31, 2005, by and between Iridium Satellite LLC and Aircell, Inc.
10.1.17†	Amendment to the Iridium Global Value Added Reseller Agreement, dated December 23, 2005, by and between Iridium Satellite LLC and Aircell, Inc.
10.2.1§	Employment Agreement by and between Aircell Holdings Inc., Aircell LLC and Michael J. Small, effective as of July 29, 2010
10.2.2§	Employment Agreement by and between Aircell LLC and Norman Smagley, effective as of September 1, 2010
10.2.3§	Employment Agreement by and between Aircell LLC and Ash ElDifrawi, effective as of October 25, 2010
10.2.4§	Employment Agreement by and between Aircell LLC and John Wade, effective November 10, 2008
10.2.5§	Amendment No. 1 to the Employment Agreement by and between Aircell LLC and John Wade, effective January 31, 2009
10.2.6§	Employment Agreement by and between Aircell Inc. and Anand Chari, effective July 12, 2006
10.2.7§	Amendment No. 1 to the Employment Agreement by and between Aircell Inc. and Anand Chari, effective January 1, 2009
10.3.1§	Aircell Holdings Inc. Stock Option Plan
10.3.2§	Amendment No. 1 to the Aircell Holdings Inc. Stock Option Plan, effective as of June 2, 2010
10.3.3§	Amendment No. 2 to the Aircell Holdings Inc. Stock Option Plan, dated December 14, 2011
10.3.4§	Form of Stock Option Agreement for Aircell Holdings Inc. Stock Option Plan
10.4.1§	AC Management LLC Plan
10.4.2§	Amendment No. 1 to the AC Management LLC Plan, dated June 2, 2010
10.5§*	Description of 2012 Annual Bonus Plan

Exhibit Numbers	Description
10.6§*	Gogo Inc. Omnibus Incentive Plan
10.7§*	Gogo Inc. Annual Incentive Plan
10.8*	Form of Indemnification Agreement to be entered into between the Registrant and each of its directors and officers
21.1**	List of Subsidiaries
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
23.2*	Consent of Debevoise & Plimpton LLP (included in Exhibit 5.1)
24.1**	Power of Attorney

* To be filed by amendment.
** Previously filed.
§ Constitutes a compensatory plan or arrangement required to be filed with this prospectus.
† Certain provisions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Financial Statement Schedule

None. Financial statement schedules have been omitted since the required information is included in our consolidated financial statements contained elsewhere in this registration statement.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Gogo Inc. has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Itasca, State of Illinois, on March 21, 2012.

GOGO INC.
By: /S/ NORMAN SMAGLEY
Name: Norman Smagley
Title: Executive Vice President and Chief Financial Officer (Principal Financial Officer)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed on March 21, 2012 by the following persons in the capacities indicated.

Signature	Title
*	President and Chief Executive Officer and Director (Principal Executive Officer)
Michael J. Small	
/S/ NORMAN SMAGLEY	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Norman Smagley	
*	Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)
Thomas E. McShane	
*	Executive Chairman; Chairman of the Board
Ronald T. LeMay	
*	Director
Robert L. Crandall	
*	Director
Lawrence N. Lavine	
*	Director
Christopher Minnetian	
*	Director
Oakleigh Thorne	
*	Director
Charles C. Townsend	
*	Director
Harris N. Williams	

*By: /S/ NORMAN SMAGLEY
Norman Smagley
Attorney-in-Fact

EXHIBIT INDEX

Exhibit Numbers	Description
1.1*	Form of Underwriting Agreement
2.1**	Agreement and Plan of Merger, dated as of December 31, 2009, among AC HoldCo LLC, AC Holdco Inc., and AC Holdco Merger Sub Inc.
2.2**	Agreement and Plan of Merger, dated as of December 31, 2009 between AC Holdco Inc. and AC HoldCo LLC
3.1*	Form of Amended and Restated Certificate of Incorporation to be effective upon completion of the offering
3.2*	Form of Amended and Restated Bylaws to be effective upon completion of the offering
4.1*	Form of Common Stock Certificate
4.2*	Stockholders Agreement, dated as of December 31, 2009, among AC Holdco Inc. and certain stockholders named on the signature pages thereto
4.3**	Registration Rights Agreement, dated as of December 31, 2009, by and between AC Holdco Inc. and the Class A Holders, the Ripplewood Investors, the Thorne Investors and the other investors named therein
5.1*	Opinion of Debevoise & Plimpton LLP
10.1.1†	Amended and Restated In-Flight Connectivity Services Agreement, dated as of April 7, 2011, between Delta Air Lines, Inc. and Aircell LLC
10.1.2†	Second Amended and Restated In-Flight Connectivity Services Agreement, dated as of April 11, 2011, between American Airlines, Inc. and Aircell LLC
10.1.3*	Development Agreement, dated as of September 4, 2007, by and between QUALCOMM Incorporated and Aircell LLC
10.1.4*	Letter Amendment to the Development Agreement, dated as of December 19, 2007, by and between QUALCOMM Incorporated and Aircell LLC
10.1.5*	Amendment No. 1 to the Development Agreement, dated as of December 11, 2008, by and between QUALCOMM Incorporated and Aircell LLC
10.1.6*	Amendment No. 2 to the Development Agreement, dated as of April 11, 2011, by and between QUALCOMM Incorporated and Aircell LLC
10.1.7*	Letter Amendment to the Development Agreement, dated as of February 8, 2008, by and between QUALCOMM Incorporated and Aircell LLC
10.1.8†	Development, Test, and Deployment Products Standard Terms and Conditions, dated as of September 26, 2007, by and between QUALCOMM Incorporated and Aircell LLC
10.1.9†	Manufacturing Services and Product Supply Agreement, dated September 4, 2007, by and between Aircell LLC and QUALCOMM Incorporated
10.1.10†	Amendment No. 1 to Manufacturing Services and Product Supply Agreement, dated as of March 3, 2010 by and between QUALCOMM Incorporated and Aircell LLC
10.1.11†	Amendment No. 2 to Manufacturing Services and Product Supply Agreement, dated as of April 8, 2011 by and between QUALCOMM Incorporated and Aircell LLC
10.1.12†	Master Supply and Services Agreement, dated as of August 17, 2011 by and between ZTE USA, Inc. and Gogo LLC
10.1.13†	Iridium Global Service Provider Agreement, dated as of July 23, 2002, by and between Iridium Satellite LLC and Aircell, Inc.
10.1.14†	Letter Amendment to the Iridium Global Service Provider Agreement, dated July 30, 2002, between Iridium Satellite LLC and Aircell, Inc.

Exhibit Numbers	Description
10.1.15†	Iridium Value Added Manufacturer Agreement, dated as of January 20, 2003, by and between Iridium Satellite LLC and Aircell, Inc.
10.1.16†	Iridium Global Value Added Reseller Agreement, dated as of March 31, 2005, by and between Iridium Satellite LLC and Aircell, Inc.
10.1.17†	Amendment to the Iridium Global Value Added Reseller Agreement, dated December 23, 2005, by and between Iridium Satellite LLC and Aircell, Inc.
10.2.1§	Employment Agreement by and between Aircell Holdings Inc., Aircell LLC and Michael J. Small, effective as of July 29, 2010
10.2.2§	Employment Agreement by and between Aircell LLC and Norman Smagley, effective as of September 1, 2010
10.2.3§	Employment Agreement by and between Aircell LLC and Ash ElDifrawi, effective as of October 25, 2010
10.2.4§	Employment Agreement by and between Aircell LLC and John Wade, effective November 10, 2008
10.2.5§	Amendment No. 1 to the Employment Agreement by and between Aircell LLC and John Wade, effective January 31, 2009
10.2.6§	Employment Agreement by and between Aircell Inc. and Anand Chari, effective July 12, 2006
10.2.7§	Amendment No. 1 to the Employment Agreement by and between Aircell Inc. and Anand Chari, effective January 1, 2009
10.3.1§	Aircell Holdings Inc. Stock Option Plan
10.3.2§	Amendment No. 1 to the Aircell Holdings Inc. Stock Option Plan, effective as of June 2, 2010
10.3.3§	Amendment No. 2 to the Aircell Holdings Inc. Stock Option Plan, dated December 14, 2011
10.3.4§	Form of Stock Option Agreement for Aircell Holdings Inc. Stock Option Plan
10.4.1§	AC Management LLC Plan
10.4.2§	Amendment No. 1 to the AC Management LLC Plan, dated June 2, 2010
10.5§*	Description of 2012 Annual Bonus Plan
10.6§*	Gogo Inc. Omnibus Incentive Plan
10.7§*	Gogo Inc. Annual Incentive Plan
10.8*	Form of Indemnification Agreement to be entered into between the Registrant and each of its directors and officers
21.1**	List of Subsidiaries
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
23.2*	Consent of Debevoise & Plimpton LLP (included in Exhibit 5.1)
24.1**	Power of Attorney

* To be filed by amendment.
** Previously filed.
§ Constitutes a compensatory plan or arrangement required to be filed with this prospectus.
† Certain provisions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.

Exhibit 10.1.1

Amended and Restated

In Flight Connectivity Services Agreement

between

Delta Air Lines, Inc.

and

Aircell LLC

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

TABLE OF CONTENTS

This Amended and Restated In-Flight Connectivity Services Agreement (including the Exhibits hereto, the **"Agreement"**) is made effective as of April 7, 2011 (the "**Restatement Effective Date**"), between Delta Air Lines, Inc., a Delaware corporation with its principal place of business at 1030 Delta Boulevard, Atlanta, GA 30354-1989 ("**Delta**"), and Aircell LLC, a Delaware limited liability company with offices located at 1250 N. Arlington Heights Road, Suite 500, Itasca IL 60143 ("**Aircell**").

WHEREAS, Aircell and Delta previously executed that certain In-Flight Connectivity Services Agreement, dated as of November 23, 2008 (the "**Original Agreement**"), pursuant to which Aircell installed its equipment on Delta aircraft in order to provide Aircell's Connectivity Services to Delta passengers; and

WHEREAS, the parties executed Amendment **#1,** dated September 21, 2010, to the Agreement in order to add certain Delta-operated DC9 aircraft to its scope; and

WHEREAS, Delta has requested that Aircell install its equipment and provide connectivity services to passengers on certain regional jets contracted by Delta; and

WHEREAS, the parties desire to amend and restate the Original Agreement in order to reflect the terms of Amendment #1 as well as the terms and conditions upon which the parties have agreed with respect to the expansion to regional jets;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises herein set forth, the parties hereby agree as follows:

1. DEFINITIONS

In addition to those terms defined in the body of this Agreement, the definitions below shall apply to the following terms:

1.1 **"ABS Equipment"** means the equipment and Software described in this Agreement and set forth in (i) Exhibit A-1 with respect to the Mainline Fleet, and (ii) Exhibit A-2 with respect to the Regional Jet Fleet (together in each case with accompanying Documentation (per Section 3.5.1), materials and supplies necessary for the operation thereof) that Aircell installs on the A/C for the provision of the Connectivity Services.

1.2 **"A/C"** means commercial passenger Domestic aircraft subject to this Agreement.

1.3 **"Affiliate"** means any individual, corporation, partnership, association, or business that directly or indirectly through intermediaries, controls, is controlled by or is under common control with a party. Control shall exist whenever the relevant entity holds an ownership, voting or similar interest (including any right or option to obtain such an interest) representing at least 50% of the total interests then outstanding of the other entity.

1.4 **"Aircell Technology"** means Aircell's proprietary business and technical information concerning the ABS Equipment, Software and Connectivity Services, and the process used in the manufacture of ABS Equipment, and any derivatives thereof.

1.5 **"Baseline Period"** shall be derived [***].

1.6 **"Baseline Revenue"** means [***].

1.7 **"Certification"** means such certification required by the FM, FCC and such additional applicable government bodies as necessary to fly commercial aircraft retrofitted with the ABS Equipment and Software to provide the Connectivity Services.

1.8 **"Components"** means all materials, parts and components included in the ABS Equipment.

1.9 **"Connection Carrier"** means each of the regional airline operators that operate the Regional Jet A/C pursuant to a Regional Jet Contract.

1.10 **"Connectivity Revenue"** means [***].

1.11 **"Connectivity Services"** means the in-flight connectivity services defined in Section 5.3.1, together with any other Services that the parties agree to be Connectivity Services.

1.12 **"Deinstallation"** means removal of the ABS Equipment from an A/C and restoration of the A/C to its condition prior to installation of the ABS Equipment, ordinary wear and tear excepted.

1.13 **"Delta Technology"** means Delta's proprietary business and technical information concerning A/C and Delta's operations and any derivatives thereof.

1.14 **"Domestic"** means regularly scheduled for service between airports within the United States (excluding Hawaii and Alaska).

1.15 **"Equipment Type"** means one of the five aircraft manufacturer/model types listed in Section 9.2 for Mainline A/C, and **"Additional Equipment Type"** means any other aircraft manufacturer/model type added during the Term for either Mainline A/C or Regional Jet A/C. For the purposes of clarification, the Mainline A/C, the Mainline Fleet, the Initial Mainline Fleet, the Northwest A/C, the Regional Jet A/C and the Regional Jet Fleet are not Equipment Types but consist of multiple Equipment Types.

1.16 **"Excess Revenue"** means [***].

1.17 **"Incremental Revenue"** means [***].

1.18 **"Initial Mainline Fleet"** means the Mainline A/C listed on Exhibit C-1. For the purposes of clarification, such term does not include any Northwest A/C, VIP Charter A/C or DC9 A/C.

1.19 **"Initial Regional Jet Fleet"** means the Regional Jet A/C listed on Exhibit C-3.

1.20 **"Installation Site"** means the Delta specified location(s) at which the ABS Equipment will be installed on the A/C.

1.21 **"Launch"** means initiation of revenue-generating passenger use of the Connectivity Services on each A/C.

1.22 **"Load Factor"** means the number of seats occupied by passengers on a Retrofit A/C during a particular flight divided by the total number of available passenger seats on the Retrofit A/C, to be reported to Aircell by flight number, city-pair segments and date.

1.23 **"Mainline A/C"** means Domestic mainline A/C owned or leased by Delta, including without limitation the Northwest A/C.

1.24 **"Mainline Fleet"** means the Initial Mainline Fleet, the Northwest A/C and any other Mainline A/C on which the ABS Equipment is installed pursuant to this Agreement.

1.25 **"Merger"** means the merger of Delta and Northwest Airlines Corporation ("**Northwest**") that closed on October 29, 2008.

1.26 **"Northwest A/C"** means the Northwest Domestic mainline A/C (including the DC9 A/C) acquired by Delta as a result of the Merger and listed on Exhibit C-2.

1.27 **"Portal"** means the combination of the web pages and graphical user interface developed by Aircell that functions as a point of access for Users of the Connectivity Services. "Portal" does not include any third-party sites to which the Portal may provide links.

1.28 **"Program"** means the design, integration, installation, certification, and on-going maintenance and support associated with Launch and the provision of the Connectivity Services on board the Retrofit A/C.

1.29 **"Prototype A/C"** means the first A/C on which the ABS Equipment is installed and which is used to obtain the STC for the Connectivity Services.

1.30 **"Regional Jet A/C"** means regional jet A/C contracted by Delta for Domestic flights with one or more Connection Carriers pursuant to a Regional Jet Contract.

1.31 **"Regional Jet Contract"** means the agreement between Delta and one or more Connection Carriers pursuant to which such Connection Carrier operates one or more Regional Jet A/C as a "Delta Connection" carrier for Delta, regardless of whether such Regional Jet A/C are owned by Delta, the Connection Carrier or a third party.

1.32 **"Regional Jet Fleet"** means the Initial Regional Jet Fleet and any other Regional Jet A/C on which the ABS Equipment is installed pursuant to this Agreement.

1.33 **"Regulatory Approvals"** means any regulatory approvals or permits of any national, federal, state or local governmental agency or authority, including without limitation STCs and any amendments or supplements thereto, any other FAA approvals or licensing requirements, any FCC approvals or licensing requirements, any requirements of applicable experimental licenses or permits (or renewals thereof) and applicable tariffs, if any, when issued, that are required for installation, operation, maintenance, modification or Deinstallation of the ABS Equipment and performance of the Services.

1.34 **"Removal"** or **"A/C Removal"** overhaul.

1.35 **"Retrofit A/C"** means one or more A/C retrofit with the ABS Equipment.

1.36 **"Service Levels"** means the Service Levels set forth in Exhibit B.

1.37 **"Services"** means the Connectivity Services, the Phase 2 Services and any other services to be provided by Aircell pursuant to this Agreement, including without limitation, services pertaining to maintenance, support, engineering, installation and Deinstallation of the ABS Equipment, and training in connection thereto.

1.38 **"Splash Page"** means the first web page of the Portal that a User will see on her laptop when the User connects to the Connectivity Services on a Retrofit A/C, which will be branded with Aircell Marks and Delta Marks as agreed.

1.39 **"Software"** means any operating or application software contained within the ABS Equipment as listed in Exhibit A-1 or A-2, any other software provided by Aircell to Delta under this Agreement, and any enhancements, modifications, updates, upgrades, fixes, workarounds, releases or other changes thereto provided or to be provided by Aircell under this Agreement. The term "Software" shall include its Documentation.

1.40 **"SOW"** means a written document, signed by the parties, that describes services to be performed by Aircell under this Agreement and contains other terms and conditions agreed by the parties with respect to the services described therein.

1.41 **"Sponsorship"** means an arrangement in which a third party pays a negotiated amount to Aircell and in consideration of such payment Aircell offers free or discounted Connectivity Service to passengers on one or more Retrofit A/C and advertises such service as being sponsored by the third party.

1.42 **"Sponsorship Revenue"** means the amount paid by a third party to Aircell in connection with a Sponsorship.

1.43 **"System"** means the group of independent but interrelated software and hardware (including A/C interfaces) that are networked together to provide the Connectivity Services to Users on board the Retrofit A/C and includes ground equipment and software operated by Aircell.

1.44 **"Take Rate"** means [***].

1.45 **"Trigger Date"** means, for an Equipment Type [***].

1.46 **"User"** means an individual passenger who uses an electronic device to access the Connectivity Services on a Retrofit A/C.

1.47 **"VIP Charter A/C"** means the [***] Airbus A319 A/C listed on Exhibit C-3. For the purposes of clarification, the VIP Charter A/C: (A) are Mainline A/C and part of the Mainline Fleet, (B) do not comprise their own Equipment Type but are part of the Airbus Equipment Type; and (C) although previously owned by Northwest and acquired by Delta as a result of the Merger, shall not be considered part of the Northwest A/C for the purposes of this Agreement.

2. OVERVIEW OF RELATIONSHIP

2.1 **Scope**. This Agreement is for the installation and support of the ABS Equipment and Software and Aircell's provision of the Connectivity Services to Users on board Retrofit A/C. This Agreement includes the following Exhibits, which are incorporated by reference herein:

Exhibit A — ABS Equipment

Exhibit B — Service Level Agreement

Exhibit C — Launch Plan

Exhibit D — Specifications

Exhibit E — Airworthiness Agreement

Exhibit F — System Definition Document (SDD) Exhibit G — Trademarks

Exhibit H — Marketing Plan

Exhibit I — Incremental Fuel Cost

2.2 **Initial Mainline Fleet**. Aircell shall initially lease to Delta such number of shipsets of the ABS Equipment as are required to install ABS Equipment on the Initial Mainline Fleet, and shall install such shipsets on the Initial Mainline Fleet. Consistent with the target installation dates set forth in Section 2.4, Aircell will use commercially reasonable efforts to have shipsets on dock for installation of the Initial Mainline Fleet according to the schedule set forth in Exhibit C-1 and Delta will use commercially reasonable efforts to make the A/C in the Initial Mainline Fleet available to Aircell for installation according to the schedule set forth in Exhibit C-1. [***].

2.3 **Merger and Other Fleet Additions**.

2.3.1 In addition, [***].

2.3.2 In addition, Aircell shall from time to time lease to Delta such number of shipsets of the ABS Equipment as are required to install the ABS Equipment on the Installable Additional Mainline A/C (as hereinafter defined), and shall install such shipsets on the Installable Additional Mainline A/C in accordance with Section 2.4. [***].

2.3.3 Aircell and Delta each acknowledges and agrees that, notwithstanding any other provision of this Agreement to the contrary, Aircell shall have no obligation to lease or sell to Delta and install any ABS Equipment on any A/C, [***]. For purposes of clarity, the parties agree that the preceding sentence applies to Mainline A/C and Regional Jet A/C. Notwithstanding anything to the contrary contained herein, with respect to A/C added by Delta to its operating Domestic fleet during the Term, Delta will use commercially reasonable efforts to negotiate its A/C financing documents and contractual commitments to allow installation of the ABS Equipment and not to prevent Delta from providing with respect to such A/C the representations, warranties and assurances required hereby.

2.3.4 Aircell and Delta each further acknowledges and agrees that certain Northwest A/C and Installable Additional Mainline Aircraft, as well as airline operations related thereto, may differ from the Initial Mainline Fleet and that such differences may substantially affect the necessary contractual arrangements between Aircell and Delta with respect thereto. The parties agree to negotiate in good faith such amendments to this Agreement as the parties agree are necessary in light of (a) the physical layout, electric wiring and electronic configuration of such A/C; (b) maintenance requirements and commitments with regard to such A/C: (c) network scheduling or routing of such A/C; or (d) solely with respect to any Northwest A/C, any other differences between Delta's and Northwest's operations, commitments, procedures, property or equipment.

2.3.5 [***]. Other aircraft manufacturer/model types of Regional Jet A/C may be included under this Agreement by mutual agreement of the parties.

2.3.6 [***].

2.4 **Time Frame for Installation**. [***] The parties will work together to develop an installation schedule for the Mainline Fleet in agreed upon Exhibits C-1, C-2 and C-3 and agree upon such other requirements as are necessary to deliver and install the ABS Equipment on the DC9 A/C, the Regional Jet Fleet, the VIP Charter A/C and any Additional Equipment Types, with details to be set forth in agreed upon Exhibits C-3 et seq. With respect to the Initial Regional Jet Fleet, [***].

3. ABS EQUIPMENT

3.1 **ABS Equipment for Installation on Mainline Fleet**. [***].

3.2 **ABS Equipment for Installation on Regional Jet Fleet and VIP Charter A/C**. [***].

3.3 **Treatment.** Delta will be responsible for physical loss of or damage done to the Leased ABS Equipment while in the possession or control of Delta, normal wear and tear excepted. The cost to replace Components shall be as set forth in Exhibit A-1 or Exhibit A-2, as applicable. [***]. Delta agrees that: (i) the Leased ABS Equipment shall remain the property of Aircell and Delta shall have no right, title or interest in the Leased ABS Equipment except as specifically provided in this Agreement; (ii) Delta will not permit to exist any mortgage, security interest, lien, encumbrance or claim against the Leased ABS Equipment, title thereto, or any interest therein, including any interest that prevents Deinstallation of the Leased ABS Equipment, and will promptly, at its own

expense, take such action as may be necessary to discharge any such mortgage, security interest, lien, encumbrance or claim against the Leased ABS Equipment, title thereto, or any interest therein, if it arises by or through Delta; (iii) Delta will not make any alterations to the Leased ABS Equipment or the Purchased ABS Equipment without Aircell's prior written consent; and (iv) Delta will not remove any Leased ABS Equipment or Purchased ABS Equipment from the Retrofit A/C on which it is installed without Aircell's prior written approval, unless Aircell fails to Deinstall it as required under Section 3.8. Delta shall consent (without delay) to any reasonable and customary notice filing by Aircell under the Uniform Commercial Code to protect Aircell's rights in the Leased ABS Equipment as provided herein.

3.4 **Specifications.** The ABS Equipment and Software will be built and maintained to meet the functional, performance, operational, compatibility and other specifications and technical requirements described in the applicable Documentation, as more fully set forth in Exhibit D, which may be revised from time to time by mutual agreement as required to obtain Certification or to provide the Connectivity Services in accordance with the terms of this Agreement (the "**Specifications**"). Notwithstanding anything to the contrary contained herein, in the event that Aircell requests Delta's approval of revised Specifications in order to obtain Certification, Delta's approval will not be unreasonably withheld. [***]. The ABS Equipment shall function as an integral component of the System in accordance with the Specifications.

3.5 **Documentation and Software**.

3.5.1 **Connectivity Services Documentation.** Aircell shall provide documents, operating and user manuals, training materials, product descriptions, guides, drawings, Specifications and other information (the "**Documentation**") that are referenced by Delta's FAA approved maintenance program or Delta otherwise reasonably requests or requires.

3.5.2 **License and Restrictions.** During the Term and subject to the terms of this Agreement, Delta shall have the non-exclusive, royalty-free right to use the Software as embedded in the ABS Equipment, and use and duplicate the Documentation, solely as necessary to test and use the ABS Equipment on the Retrofit A/C in connection with the Connectivity Services. Delta shall not modify, alter or reproduce the Software, Documentation or similar items provided by Aircell to Delta, nor remove, alter, cover or obfuscate any copyright notices or other proprietary rights notices included therein, nor reverse engineer, decompile or disassemble the Software, without Aircell's prior written consent.

3.5.3 **Third Party Documentation.** As soon as practical following the execution of the Original Agreement (with respect to the A/C listed on Exhibits C-1 and C-2) and the Restatement Effective Date (with respect to the A/C listed on Exhibit C-3), Aircell shall request all necessary technical documentation from the manufacturer and/or designer of components of the Retrofit A/C with which the ABS Equipment and Software will interface, including but not limited to, aircraft wiring data ("**Third Party Documentation**"). Aircell shall enter into such confidentiality agreements as are reasonably required by such manufacturer and/or designer in order to obtain such documentation. In the event that Aircell is not successful in obtaining the Third Party Documentation and such event may adversely impact the Program schedule, Aircell shall promptly notify Delta and Delta will provide reasonable assistance to Aircell in obtaining such documentation at no cost to Aircell if possible. If despite such efforts payment is required for the Third Party Documentation, such costs will be borne by Aircell.

3.5.4 **No Other License.** The terms of this Agreement shall govern the use of the Software and Documentation and any other terms or conditions of any license agreements delivered in or with the ABS Equipment shall be void and of no effect.

3.6 **Certification.** [***].

3.7 **Installation.** An installation test plan (the "**Installation Test Plan**") will be developed by Aircell and provided to Delta for approval, which approval will not be unreasonably withheld. Aircell shall

use reasonable commercial efforts to deliver the Installation Test Plan to Delta not later than thirty (30) days prior to the installation of the ABS Equipment on the A/C. Installation shall be deemed to be complete at such time as appropriate entries have been made by authorized Aircell and Delta personnel in the maintenance log book for such A/C certifying that the ABS Equipment has passed such Installation Test Plan and the installation was made in accordance with all Regulatory Approvals. Compliance with the Installation Test Plan shall not be deemed a waiver of any warranty or other rights provided for in this Agreement.

3.8 **Deinstallation.** [***].

3.9 **Liquidated Damages.** [***].

3.10 **Validation of Installation Schedule.** In order to provide an opportunity for Delta to validate Aircell's proposed installation schedule, [***].

3.11 **Purchase Orders for Purchased ABS Equipment.** Delta will place purchase orders ("**Purchase Orders**") with Aircell via confirmed facsimile or electronic transmission for the Purchased ABS Equipment specifying (a) the quantity of units of each shipset and/or Component ordered; (b) the per unit price for each shipset and/or Component; (c) requested delivery dates; (d) point of delivery ("**Designated Destination**")**;** (e) the A/C on which the Purchased ABS Equipment will be installed; (f) any special requirements relating to the order; and (g) a Purchase Order number and date. In the event a Purchase Order contains additional or different terms and conditions than those set forth herein, the terms and conditions of this Agreement shall control, notwithstanding a statement to the contrary therein. All Purchase Orders for Purchased ABS Equipment and/or Software shall reference this Agreement.

3.11.1 **Order Acceptance.** Within [***] after Aircell's receipt of a Purchase Order for Purchased ABS Equipment, Aircell will acknowledge receipt, and either (a) accept it by (i) signing the Purchase Order in the space provided thereon and returning it to Delta via return mail or confirmed facsimile, or (ii) (in the case of e-mail transmissions)

by sending an electronic acknowledgement of acceptance, or (b) reject the Purchase Order in writing, providing reasons for such rejection, via the same methods permitted for acceptance. Aircell will accept all Purchase Orders that specify delivery dates consistent with the applicable Lead Time for the Purchased ABS Equipment ordered as set forth in Exhibit A.

3.11.2 **Lead Times.** Lead Times for the Purchased ABS Equipment are as set forth in Exhibit A, which Lead Times may be revised by mutual agreement of the Parties from time to time or for reasons beyond Aircell's reasonable control.

3.11.3 **Cancellation Charges.** If Delta cancels a Purchase Order, in whole or in part, there will be no cancellation charges imposed by Aircell if Delta provides written notice of cancellation at least [***] prior to the scheduled delivery date. For canceled Purchase Orders as to which Delta fails to provide such timely notice, (i) Aircell will use commercially reasonable efforts to dispose of the Components acquired by Aircell to fulfill the cancelled portion of such Purchase Order (the "**Excess Components**") in a manner that mitigates liability for such Excess Components to the extent reasonably possible and (ii) if, within [***] after the date of cancellation, despite such efforts, Aircell is unable to dispose of the Excess Components, Delta will reimburse Aircell for (A) the actual costs paid by Aircell for the remaining Excess Components; and (B) any restocking fees actually charged by suppliers for return of Excess Components. Delta shall own and retain title to any Components for which it has paid Aircell in full.

3.12 **Packing, Shipping and Delivery of Purchased ABS Equipment**

3.12.1 **Packing and Marking**. Aircell shall affix to each shipset some marking that displays the model number, serial number (if applicable) and date of final assembly thereof. With each, Aircell will include a packing list indicating the Purchased ABS Equipment contained in such shipment by serial number and listing the date of shipment, and (a) the quantity of units of each shipset and/or Component; (b) the per unit price for each shipset and/or Component; (c) requested delivery dates; (d) Designated Destination; (e) the A/C on which the Purchased ABS Equipment will be installed; (f) any special requirements relating to the order; and (g) a Purchase Order number and date. Kits shall include Component part numbers. Equipment that is not serial number tracked shall be designated, on the packing list, by description and quantity.

3.12.2 **Shipping**. All shipments will be made FOB Destination, Freight Collect. Title and risk of loss shall pass from Aircell to Delta when Aircell delivers the shipment to the shipping carrier. Delta shall be responsible for (and shall provide Aircell with proof of) insurance coverage on the Shipsets shipped, and shall pay freight costs (which shall be included on the invoice) associated with shipping the shipsets to the Designated Destination.

3.13 **Inspection and Acceptance of Purchased ABS Equipment**

3.13.1 **Inspection and Acceptance**. Upon receipt of the equipment at the Designated Destination, Delta shall visually inspect the Purchased ABS Equipment to ensure receipt of all Components in a physically undamaged condition. Delta shall notify Aircell of any discrepancies therein within thirty (30) days following receipt thereof. Unless Delta notifies Aircell of a discrepancy within such period, Delta's acceptance of any Purchased ABS Equipment and/or Software shall be deemed to have been made upon receipt. Nothing herein shall, however, be construed to limit the warranty provisions of this Agreement.

3.13.2 **Remedies**. Unless otherwise agreed, Delta agrees to ship any uninstalled defective Purchased ABS Equipment to Aircell, at Aircell's sole risk and expense, in accordance with a mutually agreed upon process. For returned Purchased ABS Equipment, Delta shall include on the outside packaging a return materials authorization ("**RMA**") number to be obtained by Delta from Aircell. Aircell will issue Delta the RMA number within five (5)

business days of the receipt of such request from Delta. Aircell will, at its option and cost, promptly repair the nonconformities or replace the nonconforming Purchased ABS Equipment as expeditiously as possible.

4. DESIGN CHANGES

4.1 **Mandatory Changes**. In the event Aircell must change the Specifications to help correct a safety or reliability problem, to obtain or maintain FAA Certification, or to ensure conformance with any applicable law or regulation ("**Mandatory Change**"), Aircell will immediately submit a Design Change Form to Delta identifying the consequences of implementing such Mandatory Change, including (I) proposed changes to the ABS Equipment and/or Software; and (ii) the amount of time required to implement such change. Upon Delta's approval, which will not be unreasonably withheld or delayed, Aircell will at its expense promptly make the agreed upon change and complete all other requisite work as appropriate and in all ABS Equipment not yet shipped to Delta. The applicable Specifications shall be construed as incorporating the Mandatory Change.

4.2 **Improvements.** [***].

5. SERVICES

5.1 **Aircell to Provide**. Aircell shall provide the Services described in this Section under the terms and conditions of this Agreement. Aircell agrees to furnish all labor, supervision, tools, equipment, parts and materials required to perform the Services. Aircell shall perform the Services in a good and workmanlike manner, with due professional care, in accordance with the schedules and other performance metrics and criteria set forth herein and any SOW hereunder.

5.2 **ABS Equipment-Related Services**

5.2.1 **Installation and Launch**.

5.2.1.1 **Mainline Fleet**. Exhibits C-1 and C-2 list the Installation Site, Delivery Date, Delivery Location, Retrofit Start and Retrofit End dates **('Installation Details**") for each tail number of the Initial Mainline Fleet and the Northwest A/C to be retrofitted with the Leased ABS Equipment. [***].

5.2.1.2 **Initial Regional Jet Fleet and VIP Charter A/C**. Exhibit C-3 lists the Installation Details for each tail number of the Initial Regional Jet Fleet and the VIP Charter A/C to be retrofitted with the Purchased ABS Equipment. [***].

5.2.1.3 **Additional Equipment Types.** For any Additional Equipment Types, the parties will mutually agree upon the Installation Details, and set them forth in Exhibits C-4 et seq. Aircell will provide such installation, training and support services for the ABS Equipment installed on A/C in the Additional Equipment Types as described in Section 5.2.2, depending upon whether such Additional Equipment Types are Mainline A/C or Regional Jet A/C.

5.2.2 **Ongoing Maintenance, Training and Support**. [***].

5.2.3 **Certification**. [***].

5.2.4 **Connection Carriers**. Aircell acknowledges, understands and agrees that: (A) Delta does not operate Regional Jet A/C but instead contracts with Connection Carriers that operate Regional Jet A/C; (B) the Purchased ABS Equipment may be installed on Regional Jet A/C owned or leased by Delta, owned by a Connection Carrier or leased by

a Connection Carrier from Delta or third parties; (C) it will be necessary for Aircell to coordinate directly with each of the Connection Carriers for installation, maintenance, training, support and Deinstallation of the Purchased ABS Equipment at the Connection Carriers' respective facilities; (D) the rights of Delta to maintenance, training, support and Deinstallation shall extend to Connection Carriers with respect to ABS Equipment installed on their A/C; and (E) upon the sale, assignment or other transfer of an A/C in the Regional Jet Fleet to a carrier that is not a Connection Carrier, at either party's request Delta and Aircell will negotiate in good faith for an alternative to Deinstallation of such A/C.

5.3 **Connectivity Services.**

5.3.1 **Description**. As of the date of this Agreement, a System Definition Document ("**SDD**") that defines the required functionality of the Connectivity Services, as well as the ABS Equipment and Software within the System, is incorporated into this Agreement as Exhibit F. At Launch, Aircell will offer in-flight wireless Internet connectivity for passengers' laptop computers and personal electronic devices ("**PEDs**") with Wi-Fi capability, using Aircell's air-to-ground network and wireless access points installed on the A/C. Initial Connectivity Services will include email, instant messaging, text messaging, access to virtual private networks, and internet browsing.

5.3.2 **IFE and Passenger Voice Communication**.[***].

5.3.3 **Service Levels**. Aircell will provide the ABS Equipment and Connectivity Services in accordance with the Service Levels.

5.3.4 **User Fees**. [***].

5.3.5 **PCI Compliance**. Aircell shall comply with and shall have a program to assure Aircell's continued compliance with, or enter into an agreement with a third party provider of payment processing services that requires compliance with, the Payment Card Industry Data Security Standards (PCI DSS) published by the PCI Security Standards Council, as the PCI DSS may be amended, supplemented, or replaced from time to time, and as applicable to the transactions processed via the Connectivity Services. Aircell shall report in writing to Delta, at a minimum annually, proof of such compliance with the PCI DSS. If Aircell becomes aware that Aircell or its service provider is not, or will not likely be, in compliance with PCI DSS for any reason, Aircell will promptly report in writing to Delta the non-compliance or likely non-compliance.

5.4 **VOIP and Other Prohibited Applications**. Within five business days following any date on which Aircell becomes aware that Users are using Voice over Internet Protocol, Internet telephony or

similar services ("**VOIP**") through the Connectivity Services on Retrofit A/C, provided it is feasible to do so on a commercially reasonable basis and does not materially deteriorate the User experience or Service Levels, Aircell will at its expense either revise the System to block the method for such VOIP use of which Aircell is aware, or develop and present to Delta a plan and timetable for blocking such VOIP use as expeditiously as is possible. In the event that Delta requests that Aircell block other applications or websites, to the extent it is technically feasible and does not materially deteriorate the User experience or Service Levels, Aircell will, within a reasonable period following such request, develop and present to Delta a plan and timetable for blocking such applications and/or websites as well as an estimate of associated costs. Delta will reimburse Aircell for the reasonable expense of developing such a plan. Notwithstanding anything to the contrary contained herein, (i) Aircell shall not be required to block any application (including VOIP) or website if Aircell reasonably believes that such blocking could cause Aircell to violate the Communications Act of 1934, any rule or regulation promulgated by the FCC or any other law, rule or regulation applicable to Aircell or its business; and (ii) Delta shall be solely responsible for determining what applications (other than VOIP) and/or websites are to be blocked.

5.5 **Phase 2 Services**. Aircell also intends to derive revenue from advertising, entertainment, promotional and other services made possible by ABS Equipment installed on Delta aircraft (the "**Phase 2 Services**"). [***].

5.6 **Data**. Data in the System will not be collected, transported, stored or delivered using any Delta hardware, software, equipment or other devices, and Delta will not have access to or control over the data. As between the parties, Aircell shall be solely responsible for the proper collection, processing, storage, transport, use and delivery of all data input into the System by Users, internet service providers or other third parties.

5.7 **Statements of Work**. For any other Services not described herein that Aircell is to perform pursuant to this Agreement, the parties will enter into an SOW. No SOW will be effective unless and until signed by both parties.

6. DELTA OBLIGATIONS

6.1 **Fleet Availability**. Delta agrees to make A/C available to Aircell at Delta facilities at such times consistent with Delta's maintenance programs and network requirements as Aircell reasonably requests for purposes of installation/Deinstallation, testing and non-routine maintenance. Delta agrees to make the Initial Mainline Fleet, the Initial Regional Jet Fleet and the VIP Charter A/C available for installation of the ABS Equipment, and testing and Certification of the ABS Equipment and Connectivity Services, in accordance with the schedules set forth in Exhibits C-1 and C-3; and, if and as applicable, Delta will make the Northwest A/C and any Additional Equipment Types available in accordance with the schedule(s) set forth in Exhibits C-2 and C-4 et seq. If a Retrofit A/C survey is desired by Aircell, Aircell will provide Delta with at least fourteen (14) days prior notice of its desire to perform such aircraft survey. If fourteen (14) days prior notice is not practical under the circumstances, Delta will use its best efforts to accommodate Aircell.

6.2 **Compliance with Laws and Certification**. Aircell shall comply, and shall cause the Connectivity Services to comply, with all applicable laws and regulations, including without limitation, CALEA (Communications Assistance for Law Enforcement Act), and Delta will cooperate with Aircell, at no charge other than out-of-pocket expenses, in all manner reasonably necessary for Aircell to do so. Delta will also provide Aircell, at no charge, with access to the Retrofit A/C and such assistance as Aircell reasonably requests to obtain and maintain Certification of the ABS Equipment and Connectivity Services, provided such access shall not unreasonably interfere with Delta's operations.

6.3 **Engineering**. Delta will make engineering resources reasonably available to Aircell on an agreed-upon schedule to assist with technical A/C and cabin surveys and provide information on existing A/C systems and design-for-maintenance knowledge.

6.4 **Connectivity Services Availability**. Delta agrees to have the ABS Equipment turned on and available at all times (except when turned off by the flight crew for safety reasons) for all passengers on board Retrofit A/C on all commercial flights within Aircell's network service area; provided, [***].

6.5 **Information Sharing**. Delta will provide Aircell with information regarding its Load Factor no less frequently than monthly, as well as such additional information as Aircell reasonably requests and Delta can reasonably provide (subject to third party confidentiality obligations) to improve passenger use of the Connectivity Services and revenue generation.

6.6 **Cabin Crew**. Delta will monitor in-service feedback from cabin crew on Retrofit A/C with regard to System performance and workload impact of the Connectivity Services. If Delta reasonably determines that the Connectivity Services create a materially increased burden for cabin crew, Delta will notify Aircell in writing and identify with specificity the nature and frequency of any problems reported. Following such notice, Delta and Aircell will mutually determine a plan to remediate the identified issues, which plan may include, without limitation, [***], improved online User support and review of passenger instructions and collateral materials. The costs of the remediation program will be borne by Aircell.

7. JOINT MARKETING

7.1 **Initiatives**. The parties will cooperate in developing and implementing joint and separate initiatives to market, promote and advertise the Connectivity Services. A recent presentation by Aircell regarding proposed initiatives is attached hereto as Exhibit H. A marketing team consisting of representatives of both parties will work together in good faith to agree upon an initial marketing plan based upon Exhibit H within 30 days following the execution of this Agreement and will meet at least quarterly thereafter to review proposed initiatives and update the plan by mutual agreement. Each such plan (the "**Marketing Plan**") will set forth the initiatives to be undertaken in the subsequent three months (or such other period on which the joint marketing team agrees), as well as the schedule and amounts budgeted for implementation of such initiatives. [***]. Neither the approval of the initial Marketing Plan nor any revision or update thereto will require an amendment to this Agreement. Neither party will undertake any material promotion without obtaining the written approval of the other party (the term "promotion" for this purpose including, without limitation, offering Connectivity Services for free or at discounted test or promotional rates).

7.2 **Press Release**. In connection with this Agreement, Aircell and Delta will agree upon and issue one or more press releases regarding their planned introduction of Connectivity Services on A/C.

7.3 **Connectivity Services Certificates**. [***]. Notwithstanding anything to the contrary contained herein, any material use of Connectivity Services Certificates by Delta must be agreed to by Aircell as contemplated by Section 7.1.

7.4 **Promotions**. In addition to general promotion of the Connectivity Services, Aircell and Delta will work together to develop promotional plans targeted at Delta's premium passengers and other targeted groups. [***].

7.5 **Portal Advertising**. The parties will cooperate in identifying and pursuing advertising opportunities on the Portal. Aircell acknowledges the importance to Delta of its existing relationships with certain potential advertisers and agrees to work with Delta to identify key Delta partners as well as key competitors of Delta and such partners, who will be prevented from advertising on the Portal shown to Delta passengers. Aircell and Delta will cooperate to develop a corporate marketing and distribution strategy targeted at key Delta corporate accounts in Delta's targeted markets.

7.6 **Splash Page**. The design and content of the Splash Page shall be [***].

8. PROJECT ADMINISTRATION

8.1 **Program Managers**. Aircell and Delta will each provide a dedicated program manager and such other human resources, including resources onsite at certain locations at certain times, as may reasonably be required to achieve the Program plan and schedule.

8.2 **Meetings**. The parties agree to participate in regular meetings with the appropriate personnel. Unless otherwise mutually agreed, Program reviews will be held every month during the installation of the ABS Equipment and Software.

8.3 **Cooperation**. The parties shall cooperate with one another in connection with the Program, including, without limitation, by providing the other with reasonable and timely access to appropriate and accurate data (without independent verification thereof), information and personnel. Each party shall be responsible for, and shall use reasonable commercial efforts to remedy, its own failure in such regard.

8.4 **Program Reports**. The parties will provide Program reports ("**Reports**") to one another on a regular basis to keep one another informed of the status of the Program and the Services in a timely manner. The parties will mutually agree upon the information to be included in, and format of, the Reports. Until the later of March 31, 2009, or such time as the ABS Equipment is installed and operating on Mainline A/C constituting at least 25% of the first installed Equipment Type, Aircell will provide Delta with such data and other information pertaining to Aircell's performance on other airlines and other metrics as are sufficient to allow Delta to determine whether the ABS Equipment when installed will comply with the Service Levels; provided, however, that Aircell will have no obligation to provide any information to Delta where doing so would cause Aircell to violate a third party confidentiality agreement. Delta and Aircell will mutually determine the specific format of the information to be provided. If at any time prior to or during the installation of the ABS Equipment for an Equipment Type, Delta reasonably determines from Aircell's and its own data that the ABS Equipment for such Equipment Type will not substantially comply with the Service Levels if installed on the schedule agreed upon by the parties, Delta will at Aircell's request agree to extend the schedule by written consent to provide Aircell with time to improve performance to comply with the Service Levels, and Aircell will at Delta's request suspend installation of the ABS Equipment on such Equipment Type. In such event, Aircell will use its best efforts to determine the cause or causes of such underperformance, present to Delta a remediation plan, and improve performance so that the ABS Equipment will comply with the Service Levels, but in no event will Aircell take more than 30 days to present its plan or more than an additional 90 days to demonstrate to Delta's reasonable satisfaction that the ABS Equipment when installed will substantially comply with the Service Levels. In the event that Aircell fails to do so, Delta may terminate this Agreement.

8.5 **Employees and Subcontractors of Aircell**

8.5.1 Aircell may utilize the services of subcontractors in the provision of the ABS Equipment or performance of the Services. Aircell's engagement of subcontractors will not relieve Aircell of its responsibility and obligation under this Agreement to perform fully in accordance with its terms.

8.5.2 Aircell shall provide the names and job responsibilities of all applicable individuals providing installation support or other Services on Delta's aircraft or premises, whether employees, subcontractors or employees of subcontractors. Notwithstanding anything in this Agreement to the contrary, all personnel providing any of the Services under this Agreement on behalf of Aircell, whether employees, subcontractors or employees of subcontractors, shall comply with Delta's technical operations policies and procedures, a copy of the relevant portions of which Delta shall provide to Aircell in advance.

8.5.3 Aircell shall pay, and hereby accepts full and exclusive liability for the payment of, any and all contributions and taxes for and on account of unemployment compensation, disability insurance, old age pension, or annuities, and all similar payments or

contributions now or hereafter imposed by any Federal, state, or local governmental authority, with respect to or measured by wages, salaries, or other compensation paid by Aircell to persons employed or retained by Aircell or its contractors; and Aircell further agrees to indemnify and save Delta and its Affiliates harmless from and against any and all such liability or claims.

8.5.4 All Services shall be furnished by Aircell as an independent contractor. Subject to Sections 8.5.5 and 8.5.6, Aircell shall determine how to staff the Services under this Agreement. Under no circumstance shall any Aircell personnel utilized by Aircell to perform the Services be deemed employees of Delta. Delta and Aircell are not joint employers for any purpose under this Agreement.

8.5.5 If any of the individuals whose names have been provided to Delta under Section 8.5.2 of this Agreement appears on the Transportation Security Administration Watchlist, Aircell shall, upon written notice of Delta, promptly remove the individual from performing Services on the A/C.

8.5.6 All individuals providing installation/Deinstallation support or other Services on Delta's aircraft or premises shall comply with the airworthiness requirements set forth in Exhibit E. If any such individual is unacceptable to Delta for any lawful, commercially-reasonable reason, Delta shall notify Aircell in writing and Aircell shall promptly remove the named individual from performing such work or Services. Aircell shall, if requested by Delta, promptly provide a replacement with equal or better qualifications and skills to continue such work or Services at no increase in cost to Delta, within an agreed upon time.

8.6 **Work on Delta's Premises; Safety; Security**. To the extent that any Services are performed on Delta's premises, Aircell shall conduct the Services in such a manner that the work does not unreasonably interfere with the operation of other Delta business conducted on the premises. Aircell shall confine all equipment, apparatus, materials and operations to limits reasonably indicated by the proper representative of Delta and Aircell shall not unnecessarily encumber the premises with materials. Aircell shall strictly comply with all of Delta's work and safety rules, as communicated to Aircell by Delta from time to time, and as the same may be updated and amended by Delta from time to time and communicated to Aircell. By requiring compliance therewith, Delta does not assume, abrogate, or undertake to discharge any duty or responsibility of Aircell to its employees and its subcontractors' employees or other person. Aircell is solely responsible for ensuring that its employees, its subcontractors, and their subcontractors and employees will perform all Services in a safe manner and in accordance with all applicable safety laws and regulations, including without limitation the FAA's substance abuse policies. Aircell and all individuals performing Services on Aircell's behalf, whether employees, subcontractors or employees of subcontractors, shall fully comply, at Aircell's expense, with any applicable security rules or procedures of any airport or authorities or governmental authorities, including the acquisition and display of any required badges, other credentials or security clearances.

9. FEES

9.1 [***].

9.2 **Sponsorships**. For any Sponsorship conducted on one or more Retrofit A/C [***].

9.2.1 **Adjustments.** [***].

9.2.2 **No Other Obligation.** [***].

9.3 [***].

EQUIPMENT TYPE	[***]
MD	[***]
Delta 7x7	[***]
Airbus	[***]
NW 75x	[***]
DC9s	[***]

9.4 **Incremental Revenue**. [***].

[***]

[***]

9.5 **Advertisinq Revenue**. [***]. As used herein, the term "Advertising Revenue" means amounts paid to Aircell or Delta by third parties in exchange for the placement of advertisements on the Portal, less any refunds or credits; provided, however, that Advertising Revenue shall not include any Sponsorship Revenue.

9.6 **Reimbursement of Delta Costs**. [***].

9.7 **Invoices and Payment**. All amounts shall be payable in U.S. Dollars and paid, either via credit or by wire transfer or electronic payment through the Automated Clearing House, to Delta's depository bank at the following address:

Bank Name	[***]
Location	[***]
Account Name	[***]
Account Number	[***]
ABA Number	[***]
Reference	[Aircell to add the appropriate payment reference information]

9.7.1 **By Delta**. Payment by Delta for Purchased ABS Equipment shall be made net forty-five (45) days from the date of issuance of Aircell's invoice therefor, which shall not precede shipment of the Purchased ABS Equipment. Payment by Delta for Connectivity Services Certificates and any Services shall be made net forty-five (45) days from the date of issuance of Aircell's invoice therefor, which date shall be noted thereon. In the event that Delta in good faith disputes any invoiced amount(s), then within forty-five (45) days following issuance of the invoice, Delta will notify Aircell in writing of the disputed amount(s) and submit payment for all undisputed amounts in accordance with this Section 9.7.1, and Delta's nonpayment of such disputed amounts pending resolution will not constitute a breach by Delta of this Agreement. The unpaid disputed amount(s) will be resolved by mutual negotiations of the parties. Invoices to Delta hereunder shall be sent by Aircell using Delta's electronic invoicing system. [***].

9.7.2 **By Aircell**. [***]. Invoices to Aircell for the Delta Revenue Share earned hereunder should be sent by Delta to the following address:

Aircell LLC
Attn: Accounts Receivable
1250 N. Arlington Heights Road, Suite 500
Itasca IL 60143

9.8 **Taxes**. "**Tax**" or, collectively, "**Taxes,**" means any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities, including taxes

based upon or measured by gross receipts, income, profits, capital, net worth, sales, use and occupation, and value added, ad valorem, transfer, franchise, excise and property taxes, together with all interest, penalties and additions imposed with respect to such amounts. Aircell shall pay, and hereby accepts full and exclusive liability for the payment of Taxes levied, imposed or assessed in connection with the performance of this Agreement, including, but not limited to, any Taxes upon the provision of Services and any Taxes upon the delivery, ownership, use, possession or return of the ABS Equipment, and Aircell shall indemnify and save Delta and its Affiliates harmless from and against any such Taxes, whether imposed upon Delta or Aircell. Notwithstanding the foregoing, however, Aircell shall not be liable for any Taxes upon [***] which shall be Delta's sole responsibility.

9.19 [***].

9.10 **Audit**.

9.10.1 **By Delta**. Aircell shall keep full and accurate records in connection with providing the ABS Equipment, Software and Services and shall make each such record available for audit by Delta for a period of [***] from the date on which the record is created; provided, however, such auditor shall not be entitled to access to any information that Aircell may not disclose pursuant to confidentiality obligations to any third party. The audit, for purposes of certifying Aircell's compliance with the terms of this Agreement, may be conducted no more than once per year upon reasonable advance written notice and in a manner that minimizes disruption of Aircell's business, at Delta's expense by a leading public accounting firm appointed by Delta, and approved by Aircell. Any such auditor shall agree, in a writing satisfactory to Aircell, to maintain the confidentiality of all information disclosed pursuant to such audit.

9.10.2 **By Aircell**. Delta shall keep full and accurate records related to installation and repair of all ABS Equipment by Delta and shall make each such record available for audit by Aircell for a period of [***] years from the date on which the record is created. Aircell will have the right to appoint, at its own expense, a leading public accounting firm, approved by Delta, to conduct an annual review of such records and certify Delta's compliance with the terms of this Agreement. Any such auditor shall agree, in a writing satisfactory to Delta, to maintain the confidentiality of all information disclosed pursuant to such audit.

10. WARRANTY

10.1 **Each Party**. Each party hereby represents and warrants to the other party the following:

10.1.1 Such party is duty organized and validly existing and has the power and authority to execute and deliver, and to perform its obligations under this Agreement.

10.1.2 Such party's execution and delivery of this Agreement and performance of its obligations hereunder have been and remain duly authorized by all necessary action, do not require any approval or consent of equityholders (or if such approval is required, such approval has been obtained), do not require the approval or consent of any court or governmental agency or authority other than as specifically provided herein, and do not contravene any provision of its certificate of incorporation or by-laws (or equivalent documents) or any law, regulation or contractual restriction binding on or affecting it or its property except as expressly set forth herein.

10.1.3 This Agreement is such party's legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

10.2 **Aircell.** Aircell warrants that, at all times during the Term:

10.2.1 All ABS Equipment and Software provided hereunder will be new unless otherwise specified, be free from all liens or encumbrances granted or created by Aircell, be free from material defects in material, workmanship and design, and be designed for use in the A/C environment, including selection of materials and process of manufacture.

10.2.2 The ABS Equipment and Software provided hereunder will substantially conform to and operate in accordance with the Specifications, provided that such warranty will apply only during the Warranty Period with respect to the Regional Jet Fleet.

10.2.3 The System will comply with all applicable laws, rules and regulations, including without limitation, all Federal Aviation Administration ("**FAA**") orders or regulations and those of any other United States regulatory agency or body having jurisdiction over the System.

10.2.4 Aircell possesses (or will obtain) all Regulatory Approvals required to operate the System and perform the Services.

10.2.5 Aircell will use commercially reasonable efforts to comply with the Service Levels.

10.2.6 The Services will be performed in a professional and workman-like manner consistent with industry standards, and the personnel used to provide the Services are properly licensed and qualified and have the skill, experience and knowledge necessary to carry out the tasks allocated to them.

10.3 **Conditions**. As soon as practicable after learning of any loss or damage of the ABS Equipment and subject to Delta's damage reporting procedures (a copy of which procedures shall be provided to Aircell prior to execution of this Agreement), Delta will provide Aircell full details thereof. The warranties set forth in Section 10.2 shall not apply in the event the ABS Equipment or Software has been subjected to misuse, neglect or accident, or has been modified or tampered with by any party other than Aircell, its service providers, or (if and to the extent authorized by Aircell) Delta.

10.4 **Remedies**. In the event of a breach of Section 10.2, Aircell agrees to re-perform the Services which gave rise to the breach at its own expense. If the breach is caused by defective ABS Equipment, Aircell will remove and repair or replace and reinstall the defective ABS Equipment as soon as reasonably possible so that the Connectivity Services meet the Service Levels. Provided the defective ABS Equipment was not damaged by a party other than Aircell or its service providers, Aircell shall pay all costs associated with the return, repair or replacement and re-installation thereof. This Section 10.4 sets forth Aircell's sole obligations, and Delta's sole and exclusive remedies, for any breach of the Warranties set forth in Section 10.2.

10.5 **Disclaimer**. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, AIRCELL MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NONINFRINGEMENT WITH REGARD TO ANY EQUIPMENT, SERVICE OR MATERIALS PROVIDED UNDER THIS AGREEMENT.

10.6 **Warranties by Delta**. Except with respect to Excluded A/C, Delta represents and warrants that from and after (i) the Restatement Effective Date, with respect to the Initial Regional Jet Fleet and (ii) the date on which ABS Equipment is installed on any other Regional Jet A/C, Delta has authority to execute and deliver this Agreement and perform its obligations hereunder with respect to such Regional Jet A/C, and such execution, delivery and performance by Delta will not conflict with any provision of the applicable Regional Jet Contract not waived by Aircell with respect to such contract, or give rise to any lien or encumbrance on any Leased ABS Equipment thereunder or require the consent of any counterparty to any Regional Jet Contract.

11. TERM AND TERMINATION

11.1 **Term**. The term of this Agreement shall begin on the Effective Date and shall continue [***].

11.2 **Termination for Cause.**

11.2.1 Either party may elect to terminate this Agreement if:

11.2.1.1 The other party materially breaches its obligations under this Agreement and, if the breach is curable, fails to cure such breach within 60 days following receipt of notice of such breach; or

11.2.1.2 The other party files a voluntary petition in bankruptcy, is adjudicated as a bankrupt or insolvent, files any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statute, law or regulation, seeks, consents to or acquiesces in the appointment of any trustee, receiver or liquidator for itself, makes any general assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they become due, ceases doing business or ceases providing services necessary for operation of the System or the ABS Equipment; or

11.2.1.3 If a petition is filed against the other party seeking any reorganization, composition, readjustment, liquidation or similar relief for such party under any present or future statute, law or regulation, which petition remains undismissed or unstayed for an aggregate of thirty (30) days (whether or not consecutive), or if any trustee, receiver or liquidator of either party is appointed, which appointment remains unvacated or unstayed for an aggregate of thirty (30) days (whether or not consecutive); or

11.2.1.4 Any representation or warranty made by either party in Section 10 is incorrect at the time given in any material respect.

11.2.2 With respect to each Equipment Type in the Mainline Fleet [***].

11.2.3 With respect to each Equipment Type in the Mainline Fleet, [***].

11.2.4 With respect to each of Equipment Type in the Mainline Fleet, if at any time during the Term [***].

11.2.5 [***].

11.2.6 [***].

11.3 **Effects of Termination**. Upon termination or expiration of this Agreement for any reason:

11.3.1 Any amounts owed to Aircell or Delta under this Agreement before such termination or expiration will be immediately due and payable;

11.3.2 All warranties and licenses set forth herein shall remain in full force and effect, subject to the terms and conditions set forth herein, and shall survive the termination or expiration of this Agreement for any reason;

11.3.3 Effective upon any termination of this Agreement other than by Aircell pursuant to Section 11.2.1, Aircell shall, in a commercially reasonable manner and subject to Delta's ongoing compliance with the terms and conditions of this Agreement, continue to provide the Connectivity Services for such period of time as Delta reasonably requests (the "**Termination Assistance Period**") and provide to Delta and any successor connectivity provider identified by Delta all reasonably requested non-confidential information and assistance to wind down the Program and remove the ABS Equipment from the Retrofit A/C in a manner that provides the least reasonably possible adverse effect on Delta. [***].

11.3.4 Unless otherwise specifically set forth to the contrary herein, rights of termination are without prejudice to any remedies available to the parties under this Agreement for breach, at law or in equity.

12. INTELLECTUAL PROPERTY RIGHTS

12.1 **Ownership**. Delta acknowledges and agrees that, as between the parties, Aircell is the owner of all right and title in and to the Aircell Technology and that all intellectual property rights, including copyrights, trade secrets and patent rights, embodied in the Specifications and the ABS Equipment and Software shall be exclusively vested in Aircell. Aircell acknowledges and agrees that, as between the parties, Delta is the owner of all right and title in and to the Delta Technology.

12.2 **Rights in Marks**. Aircell acknowledges that the marks shown as Delta's marks on Exhibit G hereto (the "**Delta Marks**") are the property of Delta as owner or licensee, and that only such marks may be used by Aircell in marketing and promoting the Connectivity Services, and that upon expiration or termination of this Agreement, Aircell will immediately cease use of such marks; provided that Delta may revoke the right of Aircell to use any Delta Mark upon termination of Delta's property rights therein. Delta acknowledges that the marks shown as Aircell marks on Exhibit G hereto are the property of Aircell and the only marks owned by Aircell that may be used by Delta in marketing and promoting ABS (the "**Aircell Marks**"), and that upon expiration or termination of this Agreement, Delta will immediately cease use of such marks. Except as expressly set forth in this Agreement, no right, property, license, permission or interest of any kind in or to the marks owned by either party is or is intended to be given or transferred to or acquired by the other party by the execution, performance or non performance of this Agreement or any part hereof. Each party agrees that it shall in no way contest or deny the validity of, or the right or title of the other party in or to its marks, and shall not encourage or assist others, directly or indirectly, to do so, during the lifetime of this Agreement and thereafter. Neither party will take actions that are adverse to the other party's ownership rights in or to its marks, nor shall either party intentionally utilize the other party's marks in any manner that would diminish their value or harm the reputation of the other party. Neither party shall use or register any domain name that is identical to or confusingly similar to any of the other party's marks.

12.3 **Use of the Delta Marks**. Before any reproduction, display, distribution or other use of the Delta Marks or any other reference to Delta, Delta's Affiliates, or the products or services of Delta or its Affiliates, Aircell shall submit to Delta a sample of the proposed use and obtain Delta's prior written approval, which Delta may withhold in its sole discretion. Without limiting the generality of the foregoing, Delta shall be entitled to disapprove any use of the Delta Marks which, in the reasonable opinion of Delta, might (i) subject Delta or its affiliates to unfavorable regulatory action, violate any law, infringe upon the rights of third parties, or subject Delta or its affiliates to liability for any reason; or (ii) adversely affect Delta's or its affiliates' public image, reputation, or goodwill.

12.4 **Protective Measures for the Marks**. Delta may require the placement of appropriate and reasonable trademark, service mark or copyright notices within or on the Portal as may be necessary or prudent to protect Delta's right, title and interest in and to the Delta Marks. All uses of the Delta Marks shall inure to the benefit of Delta as owner, all uses of the Aircell Marks shall inure to the benefit of Aircell as owner, and the use of the Delta Marks in conjunction with the Aircell Marks shall not create a unitary or composite mark. Upon expiration or termination of this Agreement for any reason, neither party shall thereafter use any expression in connection with any business in which it may thereafter be engaged which, in the reasonable judgment of the other party, so nearly resembles the other party's Marks as may be likely to lead to confusion or uncertainty on the part of the public.

13. CONFIDENTIALITY

13.1 **Confidential Information**. Each party (for the purposes of this Article, a "**Receiver**") shall maintain in strict confidence, and agree not to disclose to any third party, except as necessary for the performance of this Agreement when authorized by the other party (for the purposes of this Article, a "**Discloser**") in writing, Confidential Information that the Receiver receives from the Discloser or its Affiliates. Notwithstanding the foregoing, Aircell may share the contents of this Agreement with investment bankers and prospective investors who have, prior to any disclosure, agreed in wilting to confidentiality restrictions that are not less onerous than those that apply to Aircell under this Agreement, and Delta may disclose such Confidential Information as is reasonable or necessary for installation, operation, maintenance and Deinstallation of the ABS Equipment to third parties who have, prior to any disclosure, agreed in writing to confidentiality restrictions that are not less onerous than those that apply to Delta under this Agreement. "**Confidential Information**" means: (A) the terms and conditions of this Agreement; (B) all non-public information of the Discloser or its Affiliates, including, but not limited to, any information regarding identifiable individuals, including without limitation, customers or employee, which information has been collected by or on behalf of the Discloser or its Affiliates ("**PII**" or "**Personally Identifying Information**"); that (i) is of a confidential or proprietary nature, (ii) relates to the subject matter of this Agreement and (iii) is marked as confidential at the time of disclosure, or transmitted verbally or by demonstration (specifically designated as Confidential Information at the time of such disclosure) and followed up by a letter within ten (10) business days of its disclosure indicating that the information disclosed verbally or by demonstration is Confidential Information; or (C) with respect to Aircell, all non-public information of Delta or its Affiliates which (i) is of a confidential or proprietary nature, (ii) is provided by Delta to Aircell's employees to perform Services for Delta pursuant to this Agreement at any Installation Site or obtained by the Aircell's employees during the provision of Services at any Installation Site, and (iii) a reasonable person would or should understand to be confidential.

13.2 **Exclusions**. Confidential Information does not include information: that is, or subsequently may become within the knowledge of the public generally through no fault of the Receiver; that the Receiver can show was previously known to it as a matter of record at the time of receipt; that the Receiver may subsequently obtain lawfully from a third party who has lawfully obtained the information free of any confidentiality obligations; or that the Receiver may subsequently develop as a matter of record, independently of disclosure by the Discloser.

13.3 **Duration of Obligation**. The confidentiality obligation with respect to Confidential Information received by either party shall remain in effect until three (3) years from the termination or expiration of this Agreement, including any renewals or extensions thereof. The confidentiality obligation with respect to Confidential Information consisting of PII shall remain in effect in effect for a period of ten (10) years from the date of receipt of the PII. Upon the expiration or termination of this Agreement for any reason, Receiver shall immediately return to Discloser or destroy all Confidential Information in Receiver's possession or control, as Discloser directs.

13.4 **Court Order and Regulatory Filings**. Notwithstanding the restrictions in this Article, the Receiver may disclose Confidential Information to the extent required by an order of any court, a governmental regulatory agency (in a securities or other filing) or other governmental authority having jurisdiction or by operation of law, but in any such event only after the Receiver has notified the Discloser (if such notification is permitted under the order) and Discloser has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

13.5 **Ownership**. Except as otherwise expressly provided in this Agreement, as between Discloser and Receiver, Discloser shall own all right title and interest in and to Confidential Information.

13.6 **Additional Provisions regarding PII**. In addition to the other obligations in this Section 13, the parties shall abide by the provisions of this Section 13.6 concerning PII. For the purposes of these provisions: the terms "process," "processing" or "processed" in relation to PII include, without limitation, collection, recording, organization, storage, amendment, retrieval, consultation, manipulation, and erasure.

13.6.1 General: Discloser has entrusted Receiver with PII. Receiver agrees to use reasonable measures to prevent the unauthorized processing, capture, transmission and use of PII which Discloser may disclose to Receiver during the course of Discloser's relationship with Receiver.

13.6.2 Processing and Use of PII: Receiver shall process and use PII solely in accordance with the provisions of this Agreement. Receiver shall not process or use PII for any purpose not specifically set forth in this Agreement without Discloser's express prior written consent. At any time, Discloser may make inquiries to Receiver about PII transferred by Discloser and stored by Receiver, and Receiver agrees to provide to Discloser copies of such PII as maintained by Receiver within a reasonable time and to perform corrections or deletions of, or additions to, PII as reasonably requested by Discloser.

13.6.3 Discloser's Inspection Rights: Discloser shall have the right upon reasonable prior notice of at least ten (10) business days to verify Receiver's compliance with the terms and conditions of this Agreement, or to appoint a third party under covenants of confidentiality to verify the same on Discloser's behalf. Receiver shall grant Discloser's agents supervised, unimpeded access to the extent necessary to accomplish the inspection and review of all data processing facilities, data files and other documentation used by Receiver for processing and utilizing PII in relation to this Agreement. Receiver agrees to provide reasonable assistance to Discloser in facilitating this inspection function.

13.6.4 Transmission of Confidential Information or PII to Third Parties: Receiver may not transfer Confidential Information or PII to any third party without Discloser's prior written consent, and then only upon such third party's execution of an agreement containing covenants for the protection of Confidential Information or Pll no less stringent than those contained in this Agreement.

13.7 **Data Protection and Security**. Receiver shall implement, at a minimum, the data protection measures and observe the minimum standards for the security of Pll and Confidential Information as set forth below:

13.7.1 Access of Persons: Receiver agrees to use reasonable measures to prevent unauthorized persons from gaining access to Confidential Information or the data processing equipment or media where PII is stored or processed. Receiver agrees to provide its employees and agent's access to Confidential Information or PII on a need-to-know basis only and agrees to cause any persons, including, without limitation, third-party vendors, having authorized access to such information to be bound by obligations of confidentiality, non-use and non-disclosure no less stringent than those imposed upon Receiver by this Agreement.

13.7.2 Data Media: Receiver agrees to use reasonable measures to prevent the unauthorized reading, copying, alteration or removal of the data media used by Receiver and containing Confidential Information or PII.

13.7.3 Data Retention: Receiver shall not retain Confidential Information or Pll any longer than is reasonably necessary to accomplish the intended purposes for which Confidential Information or Pll was transferred as set forth in this Agreement. Upon the earlier termination of this Agreement or the written request of Discloser, Receiver shall delete and/or destroy all Confidential Information or PII in Receiver's possession, including any copies thereof, and shall deliver a written statement to Discloser within thirty (30) days of Discloser's request confirming that Receiver has done so.

13.7.4 Data Memory: Receiver agrees to use reasonable measures to prevent unauthorized data input into memory and the unauthorized reading, alteration or deletion of Confidential Information or PII.

13.7.5 Personnel: Upon request, Receiver shall provide Discloser with a list of Receiver's employees entrusted with processing the Confidential Information or PIl transferred by Receiver, together with a description of their access rights.

13.7.6 Transmission: Receiver agrees to use reasonable measures to prevent Confidential Information or Pll from being read, copied, altered or deleted by unauthorized parties during the transmission thereof or during the transport of the data media on which Confidential Information or Pll is stored.

13.7.7 Breach Notification: Aircell will report security breaches (data or network) in a prompt and timely manner and assist Delta's Information Security and Privacy Office (ISPO) in the investigation.

13.8 **Other Obligations**. The obligations set forth in this Section 13 are in addition to, and not in lieu of, any fiduciary duties or obligations of confidentiality or nondisclosure that the parties may have to each other under the common law, laws providing for the protection of trade secrets, or other statutory law.

14. INDEMNITY

14.1 **By Aircell**. Aircell will defend, indemnify and hold harmless Delta, each of the Connection Carriers, and Delta's and each of the Connection Carrier's respective directors, officers, employees, and agents (collectively herein the "**Delta Indemnified Parties**"), against and from all claims, suits, judgments, losses, damages, fines, penalties, liabilities or costs (including reasonable attorneys fees, interest [***]. This Section shall not be construed to negate, abridge or otherwise reduce any other right to indemnity which would otherwise exist in favor of any Delta Indemnified Party, or any other obligation of Aircell, its officers, directors, employees, agents or contractors to indemnify a Delta Indemnified Party. Aircell's obligations under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits paid or payable by Aircell under Workers' Compensation Acts, disability benefits acts or other employee benefit laws or regulations. The indemnification obligations of this Section shall survive termination or expiration of this Agreement.

14.2 **Exclusions**. Notwithstanding anything herein to the contrary, Aircell's indemnity obligation shall not apply to the extent Claims are caused by [***].

14.3 **Indemnity By Delta**. Delta will defend, indemnify and hold harmless Aircell its parent company and subsidiaries, and their directors, officers, employees and agents against and from all suits, judgments, losses, damages, fines, penalties, liabilities or costs [***].

14.4 **Procedures**. In the event a claim is made or suit is brought that is covered by the foregoing indemnity, the Indemnified Party shall give the party with the indemnity obligation (the "**Indemnitor**") notice thereof promptly after becoming aware thereof. The Indemnitor shall assume all responsibility for such claim or suit, and the Indemnified Party shall provide reasonable assistance and cooperation during the defense of such claim or suit or compromise or settlement thereof. The Indemnitor shall reimburse the Indemnified Party its reasonable out-of-pocket expenses incurred in providing such assistance. Notwithstanding the foregoing, the Indemnified Party's consent shall be obtained in the event any compromise or settlement under this Section: (a) includes a finding or admission of any violation of any law by the Indemnified Party or any violation of the rights of any person by the Indemnified Party; (b) has an effect on any claim held by or against the Indemnified Party; or (c) requires the payment of any money or the taking of any action by the Indemnified Party. The Indemnified Party shall have the right, but not the duty, at its own expense, to participate in the defense and/or compromise or settlement of such claim or suit with counsel of its own choosing without relieving the Indemnitor of any obligations hereunder.

14.5 **Remedies**. If any infringement or misappropriation action falls within the indemnification provided by Aircell to a Delta Indemnified Party in Section 14.1, and (a) Aircell is enjoined or threatened to be enjoined, either temporarily or permanently, from selling, manufacturing or delivering to a Delta Indemnified Party the ABS Equipment, Software or Services, or (b) a Delta Indemnified Party is enjoined or threatened to be enjoined, either temporarily or permanently, from operating the ABS Equipment or Software or providing the Services, or (c) a Delta Indemnified Party or Aircell is adjudged, in any final order of a court of competent jurisdiction from which no appeal is available, to have infringed upon or misappropriated any patent, copyright, trade secret or other proprietary right in the use of the ABS Equipment, Software or Services, then Aircell shall[***]. THIS SECTION 14 SETS FORTH THE ENTIRE OBLIGATION AND LIABILITY OF AIRCELL TO DELTA INDEMNIFIED PARTIES FOR INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS RELATED TO THE EQUIPMENT, SOFTWARE AND SERVICES PROVIDED UNDER THIS AGREEMENT.

15. INSURANCE

15.1 **Delta Requirements**. Delta agrees to keep in full force and effect and maintain at its sole cost and expense the following policies of insurance with the specified minimum limits of liability during the term of this Agreement:

15.1.1 **Comprehensive Aviation Liability Insurance**, including personal injury, products and completed operations, war risk and allied perils and contractual liability in an amount not

less than [***] combined single limit per occurrence (and in the aggregate with respects to products), which insurance may be provided by a combination of primary and umbrella coverages, covering all liability arising out of any bodily injury (including death of any person) and any damage to (including destruction of) property.

15.1.2 **Aircraft Hull Insurance** covering loss or damage to Leased ABS Equipment once permanently installed on the aircraft in an amount not less than [***]. Such insurance shall include Aircell as loss payee solely as respects the value of the Leased ABS Equipment.

15.2 **Aircell Requirements**. Aircell agrees to keep in full force and effect and maintain at its sole cost and expense the following policies of insurance with the specified minimum limits of liability during the term of this Agreement:

15.2.1 **Comprehensive Aviation Liability Insurance**, including bodily injury, products and completed operations, war risk and allied perils and contractual liability in an amount not less than [***] combined single limit per occurrence (and in the aggregate with respects to products), which insurance may be provided by a combination of primary and umbrella coverages, covering all liability arising out of any bodily injury (including death of any person) and any damage to (including destruction of) property.

15.2.2 **Commercial General Liability Insurance**, including coverage for Contractual Liability assumed under this Agreement, Premises-Operations, Completed Operations—Products, and Independent Contractors providing coverage for bodily injury, personal injury and property damage with combined single limits of not less than [***] per occurrence.

15.2.3 **Commercial Automobile Liability Insurance** providing coverage for bodily injury and property damage with combined single limits of not less than [***] per occurrence, and [***] per occurrence if Aircell employees or contractors will drive a vehicle on airport property.

15.2.4 **Professional Liability** (also known as Errors and Omissions Liability) Insurance covering acts, errors and omissions arising out of Aircell's operations or Services that includes coverage as follows:

15.2.4.1 Coverage for software and operations development work, implementation, testing, training and maintenance of software and systems, including coverage for copyright and trademark protection.

15.2.4.2 Coverage for: (i) web and application hosting services including coverage for copyright and trademark protections and (ii) network risk coverage for damages related to security breaches and unauthorized access including privacy damages, data destruction and misappropriation of data.

15.2.4.3 Professional Liability (Errors and Omissions Liability) Insurance policies shall have a limit of liability of no less than [***] per occurrence and in the aggregate and with a retroactive date no later than the commencement of the provision of the Services.

15.2.4.4 Aircell further agrees that Professional Liability/Errors and Omissions Insurance will be maintained for two years following the termination of this Agreement. Any incidents, accidents, claims or potential claims of which Supplier has knowledge shall be communicated to Delta within fifteen (15) days of such knowledge.

15.2.5 **Comprehensive Crime Insurance,** including Employee Dishonesty and Computer Fraud Insurance, covering losses arising out of or in connection with any fraudulent or dishonest acts committed by Aircell employees, acting alone or with others, in an amount not less than [***] per occurrence.

15.2.6 **Workers' Compensation and Employer's Liability Insurance** in full compliance with the applicable laws of the state and/or country in which the work is to be performed or the country of hire (whichever is applicable). Each such policy shall be endorsed to include an alternate employer endorsement and a waiver of subrogation in favor of Delta.

15.2.6.1 The limits of liability of Workers' Compensation Insurance shall be not less than the limits required by applicable law.

15.2.6.2 The limits of liability of Employer's Liability Insurance with minimum limits of [***] per employee by accident, [***] per employee by disease, [***] policy limit by disease (or, if higher, the policy limits required by applicable law).

15.3 **Approved Companies**. All such insurance shall be procured with reputable insurance companies and in such form as is usual and customary to such party's business.

15.4 **Endorsements**. With respect to the liability insurance policies in Sections 15.1.1, 15.2.1 and 15.2.2, each party shall name the other party and their respective officers, directors and employees (and, with respect to Delta, each of the Connection Carriers) as additional insureds for any and all liability arising at any time in connection with Section 14 of this Agreement. All policies of insurance shall provide that each will not be canceled or materially altered except after thirty (30) days advance written notice to the other party. All insurance required under this Section 15 shall be primary insurance and any other valid insurance existing for the other party's benefit shall be excess of such primary insurance. Each party shall obtain such endorsements to its policy or policies of insurance as are necessary to cause the policy or policies to comply with the requirements stated herein.

15.5 **Certificates**. Each party shall provide the other with certificates of insurance evidencing compliance with this Section 15 (including evidence of renewal of insurance) signed by authorized representatives of the respective carriers for each year that this Agreement is in effect. Each certificate of insurance shall provide that the issuing company shall not cancel, reduce, or otherwise materially alter the insurance afforded under the above policies unless notice of such cancellation, reduction or material alteration has been provided at least thirty (30) days in advance to the other party.

15.6 **No implied Limitation**. The obligation to provide the insurance specified herein shall not limit in any way any obligation or liability of either party provided elsewhere in this Agreement. The rights of each party to insurance coverage under policies issued to or for the benefit of one or more of them are independent of this Agreement shall not be limited by this Agreement.

15.7 **Risk of Loss**. Each party shall be responsible for risk of loss of, and damage to, any ABS Equipment or Software in its possession or under its control. Each party shall promptly notify the other of any damage (except normal wear and tear), destruction, loss, theft, or governmental taking of any item of ABS Equipment, Software or other materials in the possession or under the control of such party, whether or not insured against by such party, whether partial or complete, which is caused by any act, omission, fault or neglect of such party ("**Event of Loss**"). Such party shall be responsible for the cost of any necessary repair or replacement of such ABS Equipment or Software due to an Event of Loss. In the event of an Event of Loss caused by Delta, such repair or replacement shall not be considered part of Aircell's maintenance obligations, but Aircell shall coordinate and oversee repair or replacement performed by a third-party on a Pass-Through Expenses' basis or by Aircell at agreed-upon prices.

16. LIMITATION OF LIABILITY

16.1 **Consequential Damages**. NEITHER PARTY WILL BE LIABLE FOR, AND EACH PARTY WAIVES AND RELEASES ANY CLAIMS AGAINST THE OTHER PARTY FOR, ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST REVENUES, LOST PROFIT, OR LOSS OF PROSPECTIVE ECONOMIC ADVANTAGE, RESULTING FROM PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT.

16.2 **Limitation**. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT FOR ANY AMOUNT THAT, IN THE AGGREGATE, EXCEEDS. [***]

16.3 **Exclusions**. Sections 16.1 and 16.2 shall not apply with respect to (a) claims of third parties for bodily injury (including loss of life) or damage to property to the extent caused by the negligence or willful misconduct of either party; (b) claims arising out of a breach of confidentiality, or (c) indemnity under Section 14 of this Agreement.

17. EXCUSABLE DELAYS

17.1 **Definition**. Either party shall be excused from performance of its obligations hereunder, and shall not be liable to the other party for any direct, indirect, special, incidental, consequential or punitive damages suffered or incurred by the other party arising out of a total or partial failure to perform hereunder or delay in such performance, to the extent resulting directly from any event or occurrence beyond the reasonable control of the delayed party (collectively, "**Excusable Delay**"), including, without limitation, (i) acts of God, (ii) wars or acts of a public enemy, (iii) acts, failures to act or delays of the Governments of any state or political subdivision or any department or regulatory agency thereof or entity created thereby, including, without limitation, national aviation authorities, (iv) quotas or embargoes, (v) acts of sabotage, (vi) fires, floods or other natural catastrophes, or (vii) strikes, lockouts or other labor stoppages, slowdowns or disputes; provided, however, that such delay is not occasioned by the fault or negligence of the delayed party. Any Excusable Delay shall last only as long as the event remains beyond the control of the delayed party and only to the extent that it is the direct cause of the delay.

17.2 **Recourse**. The delayed party shall notify the other party within a reasonable time after it discovers an Excusable Delay has occurred, in writing, specifying the cause of the delay and, to the extent known, estimating the duration of the delay. No delay shall be excused unless such written notice shall have been given as required by this Section. If the Excusable Delay lasts in excess of sixty (60) days, the non-delayed party shall have the right to terminate this Agreement.

18. GENERAL

18.1 **Independent Contractors**. Nothing contained in this Agreement shall be construed to constitute Aircell as a partner, employee or agent of Delta, nor shall either party have the authority to bind the other in any respect, it being intended that each shall remain responsible for its own actions. Aircell is retained only for the purposes and to the extent set forth in this Agreement. Aircell is an independent contractor of Delta, and personnel used or supplied by Aircell in performance of this Agreement shall be and remain employees or agents of Aircell and under no circumstances shall be considered employees or agents of Delta. Aircell shall have the sole responsibility for supervision and control of its personnel.

18.2 **Use of Subcontractors/Affiliates**. Nothing in this Agreement shall create any contractual relationship between Delta and any Aircell subcontractor, and no subcontract shall relieve Aircell of its obligations hereunder should the subcontractor fail to perform in accordance with the provisions of this Agreement. Delta shall have no obligation to pay or to see to the payment of any money to any subcontractor. Each party shall be solely responsible for the acts and omissions of its subcontractors and Affiliates, with which such party shall have entered into agreements that contain confidentiality provisions at least as protective as those set forth herein. Any breach by a subcontractor or Affiliate of any terms or conditions of this Agreement shall be deemed a breach by the party engaging such subcontractor or whose Affiliate breached.

18.3 **Notice**. Any notice, demand or document that either party is required or otherwise desires to give or deliver to or make upon the other party hereunder shall be in writing and shall be (a) personally delivered, (b) deposited in the Mail, registered or certified, return receipt requested, with postage

prepaid, (c) sent by overnight courier, or (d) sent by facsimile with confirmation of receipt by the addressee, addressed as follows:

If to Delta:	Delta Air Lines, Inc. Director - Technical Operations, Supply Chain Management 1775 Aviation Boulevard Atlanta, Georgia 30354-3743 Fax: 404-677-6079
with a copy to:	General Counsel Delta Air Lines, Inc. 1020 Delta Boulevard Atlanta, Georgia 30354-1989 Fax: 404-715-7882
If to Aircell:	Attn: General Counsel Aircell LLC 1250 N. Arlington Heights Road, Suite 500 Itasca, IL 60143 Fax: (303) 379-0201

or to such other address as either party shall designate for itself by notice given to the other party as aforesaid. Any such notice, demand or document shall be deemed to be effective upon receipt of the same by the party to whom the same is addressed.

18.4 **Assignment**. This Agreement shall inure to the benefit of and be binding upon each of the parties and their respective successors and assigns, but neither the rights nor the duties of either party under this Agreement may be voluntarily or involuntarily assigned or delegated, in whole or part, without the prior written consent of the other party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, either party may assign this Agreement in connection with a merger, consolidation, or similar transaction, or a sale or other disposition of all or substantially all of its assets. Any attempted assignment or transfer in violation of the foregoing will be void. Notwithstanding the foregoing, Aircell hereby consents to the Merger. The terms and conditions of this Agreement (including without limitation any terms pertaining to pricing and use) contemplate the Merger.

18.5 **Governing Law and Venue**. This Agreement shall be governed by and construed according to the internal laws of the State of New York.

18.6 **Savings Clause**. If any provision of this Agreement is declared unlawful or unenforceable as a result of final administrative, legislative or judicial action, this Agreement shall be deemed to be amended to conform with the requirements of such action and all other provisions hereof shall remain in full force and effect.

18.7 **Waiver**. No failure or delay by either party in requiring strict performance of any provision of this Agreement, no previous waiver or forbearance of any provision of this Agreement by either party and no course of dealing between the parties shall in any way be construed as a waiver or continuing waiver of any provision of this Agreement.

18.8 **Final Agreement**. This Agreement constitutes and represents the final agreement between the parties and supersedes all prior or contemporaneous agreements and understandings of the parties as to the subject matter hereof, including without limitation the parties' Letter of Intent giving rise hereto. There are no oral agreements between the parties. This Agreement may be amended in whole or in part only in a writing signed by both parties.

18.9 **Captions**. The Section headings herein are for convenience of reference only and are not intended to define or aid interpretation of the text hereof.

18.10 **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which together shall constitute one and the same instrument, and if so executed in counterparts will be enforceable and effective upon the exchange of executed counterparts.

18.11 **Survival**. Notwithstanding anything herein to the contrary, any Sections or portions of any Sections of this Agreement (including the Exhibits hereto) that by their express terms survive, or by their nature should survive, expiration or termination of this Agreement shall survive such expiration or termination.

18.12 **Air Travel**. [***]

18.13 **No Third-Party Beneficiaries**. The provisions of this Agreement are enforceable solely by the parties to this Agreement, provided that each Connection Carrier may enforce the warranty, maintenance, support, training, Deinstallation and indemnity obligations of Aircell hereunder with respect to its respective Regional Jet A/C. No other person shall have the right to enforce any provision of this Agreement or compel any party to this Agreement to perform any Service or comply with the terms of this Agreement.

18.14 **Interpretation**. (a) When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise clearly indicated to the contrary. (b) As used throughout this Agreement and all attachments, amendments and Exhibits annexed hereto, the word “including” shall be interpreted to mean “including, without limitation” or “including, but not limited to”. (c) The words “hereof”, “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. (d) The plural of any defined term shall have a meaning correlative to such defined term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. (e) This Agreement has been reviewed and negotiated by both parties and shall be deemed to have been drafted by both parties; accordingly, no rule of interpretation against the drafting party are applicable to this Agreement.

18.15 **Supplier Performance**. Aircell will participate in Delta’s Supplier Performance Program, which monitors, evaluates and scores suppliers in accordance with quantifiable objectives. Should any part of such program conflict with the terms of this Agreement, this Agreement shall prevail.

18.16 **Doing Business with Delta**. In performing the Services, Aircell shall comply with the principles of business ethics and conduct required of suppliers and set forth in the booklet available on-line at http://images.delta.com.edgesuite.net/delta/pdfs/doingbiz.pdf.

18.17 **Equal Opportunity**. Aircell shall not discriminate against any employee or applicant for employment because of race, color, religion, disability, sex, national origin, age or any other unlawful criterion and shall comply with all applicable laws against discrimination and all applicable rules, regulations and orders issued thereunder or in implementation thereof. The Equal Opportunity Clauses set forth in 41 C.F.R., sections 60-1.4 (a), 60-250.5 (a) and 60-741.5 (a) are incorporated herein by this reference.

18.18 **Supplier Diversity**. Delta and Aircell are committed to enhancing business opportunities for small, minority, and women-owned business enterprises (SBE/M/WBE) as suppliers and subcontractors. Aircell and Delta shall use reasonable commercial efforts to include and utilize SBE/M/WBE supplier firms, as long as they are competitive on price, quality, service and provide the best overall value for goods and services provided under this Agreement. Aircell shall complete and submit to Delta a Supplier Diversity Quarterly Utilization Report, in such format as Delta may reasonably specify, by the first day of the second month following each calendar quarter.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Restatement Effective Date.

AIRCELL LLC

By: /s/ Michael J. Small

Name: Michael J. Small

Title: Chief Executive Officer

Date: 4/29/11

DELTA AIR LINES, INC.

By: /s/ Christopher Collette

Name: Christopher Collette

Title: SVP Supply Chain Mgmt.

Date: 4/27/11

EXHIBIT A-1

ABS EQUIPMENT FOR THE MAINLINE FLEET, INCLUDING THE VIP CHARTER A/C AND DC9S

The ABS Equipment consists of the following shipset::

Item	Qty Required	Price Each
[***]	[***]	[***]

EXHIBIT A-2

ABS EQUIPMENT FOR REGIONAL JET FLEET

The ABS Equipment consists of the following shipset[1]:

Item	Qty Required	Price Each
[***]	[***]	[***]

[1] [***].

EXHIBIT B

SERVICE LEVEL AGREEMENT

This Service Level Agreement (this "**SLA**") is Exhibit B to the In Flight Connectivity Services Agreement between Aircell and Delta (the "**Agreement**"). Its purpose is to describe the service level, customer support and problem resolution metrics for Aircell's broadband in-flight connectivity services. Capitalized terms not defined herein shall have the same meaning as set forth in the Agreement.

1. Definitions:

1.1 ATG System: Aircell's Air-to-Ground broadband in-flight connectivity system encompassing all associated components including aircraft-based (avionics) or ground based (base stations or central network) equipment or software.

1.2 ATG Network: the ground based components of the ATG System including base station or central network equipment or software.

1.3 ATG Avionics: the aircraft based components of the ATG System including but not limited to airborne network components (AACU and ACPU), wireless access points, antennae and associated wiring and software.

1.4 ATG Base Station: a single ground based cellular site. Multiple Base Stations comprise the ATG Network.

2. SLA Administration:

2.1 Aircell will provide Delta with reports on a monthly basis setting forth measurements of Aircell's and the ATG System's performance as compared to the metrics and objectives set forth in this SLA, as well as such other information as Delta may reasonably request. The parties will agree on the format of such reports.

2.2 Delta and Aircell shall meet quarterly to review performance against the SLA and to resolve issues.

2.3 Aircell shall maintain an SLA report audit trail (including detailed performance reports) and shall make this data available to Delta upon request.

2.4 The parties shall mutually agree to adjust the SLA terms when deemed necessary due to new requirements or unforeseen system or customer issues.

3. ATG Network Operation:

3.1 Aircell shall operate the ATG Network on a 24 hours per day, 7 days per week and 365 days per year basis.

Planned ATG Network downtime for maintenance shall occur during the hours of 11:00 pm to 5:00 am Sunday through Thursday and 11:00 pm to 7:00 am Friday and Saturday (all times are Central Time). The timing and frequency of maintenance events and related downtime will be limited per the schedule below. Mutual agreement is required for deviations from this schedule. Notwithstanding the foregoing, Aircell will make best efforts to ensure that its maintenance activities do not disrupt active flights and customers.

Event Type	Example	Downtime Window	Limit
Non-customer impacting:	Configuration change	Any day, subject to times set in Section 3.2	None
Customer impacting (localized)	Base Station upgrade except antenna and tower	Any day, subject to times set in Section 3.2	No more than two (2) events per week
Base Station antenna and tower maintenance	Mountain top antenna replacement	Any day, any time based on safety and logistics	None
Customer impacting (ATG System)	PDSN or BSC Upgrade	Friday and Saturday, 11 pm to 7am	No more than one (1) event per week
Emergency maintenance	Loss of redundancy	Next available maintenance window	None

3.2 Aircell shall provide notice to Delta a minimum of 24 hours prior to scheduled ATG Network downtime. Delta shall provide a single email address for distribution of such notices.

3.3 Prior to launch of service and throughout the Term of the Agreement, Aircell shall provide complete ATG Network coverage over the continental United States (CONUS).

4. ATG System Performance:

4.1 The metrics under this Section 4 apply to normal operating conditions. Scheduled downtime or Excusable Delays (as defined in Section 17 of the Agreement) are not to be reflected in these metrics. Excusable Delays include any outage caused by Delta, including outages caused by Delta personnel turning the ATG Avionics or a component of the ATG Avionics off.

4.2 [***]

4.3 [***]

4.4 [***]

4.5 [***]

4.6 [***]

4.7 Within one month of identifying a Bottleneck Base Station, Aircell shall present to Delta a plan for its approval to mitigate the capacity issues at this location. Aircell shall complete all work related to such plan within 90 days of approval.

4.8 Mean Time to Restore (MTTR) the ATG System shall be as follows:

[***]

4.9 Aircell shall provide timely notice(s) to Delta of the loss or degradation of any ATG Avionics or Network component along with regular updates until the issue is resolved.

5. Content Filtering:

5.1 Delta may submit reasonable changes to the “blocked content lists” at any time. Aircell shall implement such changes within 48 hours of Delta’s request assuming such changes are within the scope of the content filtering system developed by Aircell pursuant to Section 5.1.1 of the Agreement.

6. Support to ATG System Users and Delta:

6.1 Aircell will provide Delta's passengers with 24 hours per day, 7 days per week and 365 days per year access to Aircell's customer service agents. All passenger issues will be resolved per the schedule below:

Call Type	Resolution	Time (Within)
Billing	[***]	[***]
Customer Service (Inquiries, profile, account updates, etc.)	[***]	[***]
Technical Support	[***]	[***]

6.2 Aircell will provide Delta with 24 hours per day, 7 days per week and 365 days per year technical help desk support. Aircell will resolve system performance or technical problems reported by Delta per the schedule below:

Fault Criticality	Examples		Maximum Time To: Initial Response	Resolve
Critical	ATG NETWORK	[***]	[***]	[***]
Major	ATGAVIONICS	[***]	[***]	[***]
	ATG NETWORK	[***]	[***]	[***]
		[***]	[***]	[***]
Minor	ATG NETWORK	[***]	[***]	[***]

Note1: The term "**resolve**" listed in the table above means the fault has been isolated and the service has been restored to an acceptable level.

Note 2: In the event that resolution of a problem requires access to a Delta aircraft, Delta may have to route the aircraft to one of the agreed-upon locations (included in Section 6.4) at which Aircell provides maintenance services. If an aircraft experiences an ATG Avionics problem or outage while in flight and the airplane lands at a location where Aircell does not provide services, the response measurement clock will stop at landing and restart when the aircraft is accessible to Aircell at a maintenance location.

6.3 Aircell shall provide timely notice(s) to Delta of the loss or degradation of any airborne or network system component along with regular updates until the issue is resolved.

6.4 Aircell shall provide maintenance services at the following airports per the AWA: ATL, LGA and SLC. Aircell contacts for each station are as follows: Dino Senese, Aircell Maintenance Manager, @ 630 647-1457 or Aircell's 24 Hour Technical Support @ 1-866-WIFI-FLY (1-866¬943-4359)

EXHIBIT C-3

LAUNCH PLAN FOR REGIONAL JET FLEET AND VIP CHARTER A/C

[***]

ERJ170

[***]

ERJ175

[***]

A319-100

[***]

EXHIBIT D-1

SPECIFICATIONS FOR MAINLINE FLEET

[***]

Exhibit D-2

SPECIFICATIONS FOR REGIONAL JET FLEET

[***]

Weight Summary:

All Models (MD88, 757-200, MD90, 737-800, 767-300)
[***]

Models MD88, MD90, 767-300
[***]

Models 757-200, 737-800

[***]

[ADD TABLE FOR RJs]

EXHIBIT E

AIRWORTHINESS AGREEMENT

EXHIBIT F

SYSTEM DEFINITION DOCUMENTATION (SDD) [revise as needed for RJ differences]

System Description

A block diagram showing all major functions of the proposed aircraft system [***]

[***]

EXHIBIT G

TRADEMARKS

Delta Marks

Mark Name	Jurisdiction	Status	Registration No	Registration Date
SKYTEAM & DEVICE	United States	Registered	2684264	04-Feb-2003
DELTA	United States	Registered	0654915	19-Nov-1957
WIDGET LOGO	United States	Registered	0704103	06-Sep-1960
SKYMILES	United States	Registered	1968255	16-Apr-1996
FREED WIDGET	United States	Pending	77182424	16-May-2007

Aircell Marks

Aircell Marks

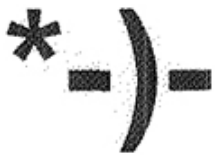


EXHIBIT H

MARKETING PRESENTATION

[Attached PDF PPT to be included in Execution Copy]

EXHIBIT I

INCREMENTAL FUEL COST

[***]

Exhibit 10.1.2

Second Amended and Restated

In Flight Connectivity Services Agreement

between

American Airlines, Inc.

and

Aircell LLC

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

This Second Amended and Restated "In-Flight Connectivity Services Agreement", originally titled "Equipment Purchase and In-Flight Connectivity Services Agreement" and effective as of July 1, 2008 (the "**Original Effective Date**"), amended and restated as of March 18, 2009 (the "**First Restatement Effective Date**"), and amended by Amendment #1 thereto dated April 28, 2009, Amendment #2 thereto dated September 10, 2009, Amendment #3 thereto dated March 12, 2010 and Amendment #4 thereto dated February 24, 2011, between American Airlines, Inc., a Delaware corporation with its principal place of business at 4333 Amon Carter Blvd., Fort Worth, Texas 76155 ("**American**"), and Aircell LLC, a Delaware limited liability company with offices located at 1250 N. Arlington Heights Road, Suite 500, Itasca IL 60143 ("**Supplier**" or "**Aircell**"), is further amended and restated as of April 11, , 2011 (the "**Second Restatement Effective Date**"). This Agreement, including the Exhibits hereto, is referred to hereinafter as the "**Agreement**."

WHEREAS, American has requested that Aircell install its equipment and provide connectivity services to passengers on certain MD80 and Boeing 757 aircraft operated by American; and

WHEREAS, American has requested that Aircell expand its service on certain Retrofit A/C to include wireless distribution of content; and

WHEREAS, the parties desire to amend and restate the Agreement in order to reflect the terms and conditions of such additional installations and expansion as well as other terms and conditions to which the parties have agreed and to incorporate the terms of previous amendments; **NOW, THEREFORE,** in consideration of the foregoing and the mutual covenants and promises herein set forth, the parties hereby agree as follows:

1. DEFINITIONS

In addition to those terms defined in the body of this Agreement or the Exhibits hereto the definitions below shall apply to the following terms:

1.1 "**757**" Fleet means the [***] Boeing 757-200 aircraft listed on **Exhibit R** hereto, as well as any additional Boeing 757-200 aircraft that American designates after the Second Restatement Effective Date, which additional aircraft will be added to **Exhibit R**.

1.2 "**ABS Equipment**" means the line replaceable units and other equipment, including Software and consumable and expendable parts, set forth in **Exhibit B** (and accompanying Manuals) that Aircell installs, or provides for American to install, on the American A/C for the provision of the Aircell Broadband Service (ABS), but does not include Services.

1.3 "**A/C**" means an aircraft.

1.4 "**Additional Fleets**" means the MD Fleet, the Initial 737 Fleet, the Subsequent 737 Fleet, the Growth Fleet, the Transition Fleet, the 757 Fleet and any other Fleet Type that the parties may choose to add to this Agreement by mutual agreement.

1.5 "**Aircell Broadband Services**" or "**ABS**" means Aircell's in-flight connectivity services, as further defined in this Agreement.

1.6 "**Aircell Broadband System**" or "**System**" shall mean the software, equipment, other hardware and services that are integrated to provide revenue generating Aircell Broadband Services on the Retrofit A/C per the requirements set forth in this Agreement. The Aircell Broadband System includes but is not limited to the ABS Equipment, Software and Engineering Services defined herein. The Aircell Broadband System uses an Air To Ground link to communicate with the ground network and the in-cabin Wi-Fi network.

1.7 "**Aircell Technology**" means Aircell's proprietary business and technical information concerning Aircell's business and operations, including without limitation the ABS Equipment, Software, system interfaces and Aircell Broadband Services, and the process used in the manufacture of ABS Equipment, and any derivatives thereof.

1.8 "**American Technology**" means American's proprietary business and technical information concerning American's business and operations, including without limitation American's A/C, and any derivatives thereof.

1.9 "**American URL**" shall mean the links on the portal web page which shall be part of a walled garden and shall include links selected by American such as www.aa.com.

1.10 [***]

1.11 "**Connectivity Revenue**" means [***].

1.12 "**Core Fleet**" means the Transcon Fleet, the Initial 737 Fleet and the MD Fleet.

1.13 "**Deinstallation**" means removal from the A/C of all equipment listed on Exhibit B except the installation kit.

1.14 "**Engineering Services**" shall mean any engineering design, drawing or certification-related activity provided by Supplier or Supplier's subcontractors, including without limitation the services listed in **Exhibit F** under the heading "engineering services."

1.15 "**Fleet Type**" means the Transcon Fleet, the Initial 737 Fleet, the Subsequent 737 Fleet, the Growth Fleet, the MD Fleet, the Transition Fleet, the 757 Fleet and any other group of A/C added to American's North American operating fleet during the Term that the parties agree will be classified as a "Fleet Type" hereunder."

1.16 "**Growth Fleet**" means any Boeing 737 A/C added to American's North American fleet following completion of installation of all [***] A/C in the Subsequent 737 Fleet, except any A/C in the Transition Fleet.

1.17 "**Incremental Revenue**" means [***].

1.18 "**Initial 737 Fleet**" means the 77 Boeing 737 A/C included in American's North American operating fleet as of the Amendment #1 Effective Date as listed on **Exhibit Q-1**.

1.19 "**Initial MD Fleet**" means the 150 MD A/C listed **on Exhibit A-3 (a)**.

1.20 "**Installation Site**" shall mean the American-specified location(s) at which the Transcon Fleet and the Additional Fleets will be retrofitted with the ABS Equipment. **Exhibit A** lists the Tail Number, Installation Site, Delivery Date, Delivery Location, Retrofit Start and Retrofit End date for each aircraft in the Transcon Fleet. An exhibit to this Agreement (as agreed to by the parties) will list Tail Number, Installation Site, Delivery Date, Delivery Location, Retrofit Start and Retrofit End date for each aircraft in each applicable Additional Fleet.

1.21 "**Load Factor**" means the number of seats occupied by paying passengers on a Retrofit A/C during a particular flight divided by the total number of available passenger seats on the Retrofit A/C, to be reported to Aircell by flight number, city-pair segments and date.

1.22 "**MD Fleet**" means the Initial MD Fleet and the Subsequent MD Fleet.

1.23 "**Net Revenue**" means the [***].

1.24 "**Non-revenue Passenger**" shall mean any boarded passenger who has not paid AA for a revenue generating ticket, including without limitation crew and other AA employees.

1.25 "**Production A/C**" shall mean, with respect to the Transcon Fleet and any Additional Fleet, the remaining aircraft in such fleet (14 aircraft in the case of the Transcon Fleet) that will be retrofitted after the approval of the STC for the Aircell Broadband System for such fleet.

1.26 "**Program Support**" shall mean the design, integration, installation, certification, and on-going support associated with the launch and provision of the Aircell Broadband Service on the Retrofit Aircraft.

1.27 "**Promotional User**" shall mean any boarded passenger who has permitted access to ABS without paying for it, including without limitation AA and Aircell employees conducting Fly-Alongs to test and audit the service and passengers to whom AA or Aircell provides promotional coupons.

1.28 "**Prototype A/C**" shall mean, with respect to the Transcon Fleet and any Additional Fleet, the first American aircraft in such fleet on which the ABS Equipment is installed, which aircraft will be the prototype aircraft used by Supplier to obtain the Supplemental Type Certificate (STC) for the Aircell Broadband System for such fleet.

1.29 "**Removal**" [***]

1.30 "**Retrofit A/C**" shall mean the Transcon Fleet, as well as the aircraft of Additional Fleets, on which the ABS Equipment has been installed.

1.31 "**Revenue Launch**" means, [***].

1.32 "**Shipset**" shall mean all ABS Equipment and Software required to implement and activate the Aircell Broadband System on American's Aircraft, as listed in **Exhibit B**.

1.33 [***].

1.34 "**Software**" means any operating or application software contained within the ABS Equipment that is provided to American by Aircell or by Aircell's suppliers, as listed in **Exhibit B**, including without limitation the web page portal developed by Aircell by which passengers on the Retrofit Aircraft will access the internet.

1.35 "**Sponsorship**" means an arrangement in which a third party pays a negotiated amount to Aircell and Aircell, in consideration of such payment, offers free or discounted ABS Service to passengers on one or more Retrofit A/C and advertises such service as being sponsored by the third party.

1.36 "**Sponsorship Revenue**" means the amount paid by a third party to Aircell in connection with a Sponsorship.

1.37 "**Subsequent 737 Fleet**" means the first 76 Boeing 737 A/C added to American's North American operating fleet following the Amendment #1 Effective Date, except any such A/C included in the Transition Fleet.

1.38 "**Subsequent MD Fleet**" means the MD aircraft listed on **Exhibit A-3(b)** as well as any other MD aircraft identified by American after the Second Restatement Effective Date, which aircraft shall be added to **Exhibit A-3(b)**.

1.39 "**Take Rate,**" for any applicable measurement period, shall mean [***].

1.40 "**Targeted Take Rate**" means, [***].

1.41 "**Third Party IFE Services**" means in-flight entertainment services provided by third parties.

1.42 "**Third Party Suppliers**" means those suppliers, other than Aircell (and its direct suppliers) or American, of hardware, software or services that are related to the Aircell Broadband Service or the Third Party IFE Services.

1.43 "**Transcon Fleet**" or "**Initial Fleet**" means the fifteen (15) 767-200 aircraft listed on **Exhibit A-1**.

1.44 "**Transcon Launch**" shall mean the three-month period, beginning on the first date on which all aircraft in the Transcon Fleet have commenced Revenue Launch, during which the Aircell Broadband Service will be tested on the Transcon Fleet.

1.45 "**Transition Fleet**" means (i) any A/C in the Initial MD Fleet and the Transcon Fleet that is removed from American's operating fleet during the term of this Agreement and replaced by another A/C and (ii) any such replacement A/C.

1.46 "**Trigger Date**" means for [***].

1.47 "**User**" means an individual boarded passenger who uses an electronic device to access the Aircell Broadband Service on a Retrofit A/C.

2. OVERVIEW OF RELATIONSHIP

2.1 **Scope**. This Agreement is for the manufacture, delivery and support of the ABS Equipment and Software and Aircell's provision of the Aircell Broadband Service to Users on board Retrofit A/C. The ABS Equipment provided pursuant to this Agreement may be used by American in connection with the Transcon Fleet and any Additional Fleets. Aircell shall have the exclusive right to provide passenger connectivity services on the Transcon Fleet and any Additional Fleet. This Agreement includes the following Exhibits, which are incorporated by reference herein:

Exhibit A – Transcon Launch and Additional Fleet Types

Exhibit B – ABS Equipment and Lead Times

Exhibit C – Specifications

Exhibit D – Change Request Form

Exhibit E – Packing List

Exhibit F – Installation Schedule, Training and Support for Transcon Launch

Exhibit G – Maintenance Services

Exhibit H – System Definition Document (SDD)

Exhibit I – Marketing Activities and Commitments

Exhibit J – Service Level Agreement (SLA)

Exhibit K – Usage Reports (Example)

Exhibit L – Wireless Distribution of Content

Exhibit M – Example of Revenue Share Calculation for Multi-Airline Products

Exhibit N – Services and Pricing for American Operational Use

Exhibit O – Fly-Along Cost Assumptions

Exhibit P – Example of DECS Report

Exhibit Q – Installation Schedule, Training and Support for the Subsequent 737 Fleet

Exhibit R – Installation Schedule, Training and Support for the 757 Fleet

Exhibit S – Content Filtering Services

Schedule 1 – Schedule of Third Party Infringement Allegations

2.2 **Transcon Launch**. It is the intent of the parties that [***].

2.3 **Additional Fleets – Leased ABS Equipment**. Following the First Restatement Effective Date, American will make the Initial MD Fleet, Initial 737 Fleet, Subsequent 737 Fleet, Growth Fleet and Transition Fleet available for installation of ABS Equipment and provision of ABS, on a schedule and related terms agreed to by the parties and set forth in sub-exhibits to **Exhibit A** (e.g., **A-2**, **A-3**)). Supplier shall deliver and lease to American such number of shipsets of the ABS Equipment as are required to install in the A/C of such Additional Fleets, in accordance with the applicable exhibit, as such exhibit may be changed from time to time in accordance with the terms thereof or otherwise by mutual agreement, and American will have such shipsets installed in the applicable A/C. This paragraph is qualified in its entirety by the provisions of Section 11.2.2.

2.4 **Additional Fleets – Purchased ABS Equipment**. Following the Second Restatement Effective Date, American will make the Subsequent MD Fleet and the 757 Fleet available for installation of ABS Equipment and provision of ABS, on schedules and related terms agreed to by the parties and set forth on **Exhibit A-1(b)** and **Exhibit A-4**, respectively. American shall purchase, and Supplier shall sell and deliver to American, such number of shipsets of the ABS Equipment as are required to install in the A/C of such Additional Fleets in accordance with the applicable exhibit, as such exhibit may be changed from time to time in accordance with the terms thereof or otherwise by mutual agreement, and American will have such shipsets installed in the applicable A/C.

3. EQUIPMENT, DOCUMENTATION AND SOFTWARE

3.1 **ABS Equipment and Software**. The ABS Equipment, Software and accompanying manuals (including, where applicable, part numbers and quantities per Shipset), are set forth in **Exhibit B**. After the Original Effective Date, ABS Equipment and Software may be added or deleted by mutual written agreement of the parties and amendment of **Exhibit B**. However, Supplier may remotely upgrade the Software in accordance with its standard upgrade process, subject to Section 4.2.1 for any changes that would require changes to the applicable Specifications.

3.2 **Specifications**.

3.2.1 **Service Level Agreement**. Aircell will operate ABS to meet the service levels and functionalities detailed in **Exhibit J** - **Service Level Agreement**. Notwithstanding anything to the contrary contained in Exhibit J, the terms thereof apply to both the Transcon Fleet and any Additional Fleet:

Assessing Operational Burden. American will monitor in-service feedback from its employees regarding the operation of ABS on Retrofit A/C. [***].

3.2.2 **Performance of ABS**. The performance of the Aircell Broadband System will be evaluated against the terms outlined in **Exhibit J** - **Service Level Agreement**.

3.2.3 **System Definition Documentation**. A description of the Aircell Broadband System is in the System Definition Documentation in **Exhibit H** (the "**SDD**"). This is a description of the functionalities of ABS as installed on the Transcon Fleet and Additional Fleet, as well as the ABS Equipment within the System. Any changes to the SDD will require mutual agreement of the parties.

3.2.4 **American Operational Use**. Except as provided in **Exhibit N**, the System shall not be used on any Retrofit A/C for any purpose other than providing Aircell services under this Agreement unless agreed to by both parties.

3.2.5 **Specifications**. The ABS Equipment and Software will be built and maintained to meet the specifications and technical requirements set forth in **Exhibit C**, as may be revised from time to time by mutual agreement or as required to obtain Certification or to provide the Aircell Broadband Service in accordance with the terms of this Agreement (the "**Specifications**"). The ABS Equipment shall function as an integral component of the System in accordance with the Specifications.

3.2.6 **Power and Weight**. The power and weight for each component of the Equipment are included in the Specifications set forth in **Exhibit C**. [***].

3.2.7 **Changes**. Any changes or deviations from the Specifications attached as **Exhibit C**, including without limitation changes or deviations that impact delivery, price, weight, power, dimensions, cooling requirement or reliability or otherwise impact form, fit and function, must be approved by both parties in accordance with the provisions of Article 4 of this Agreement.

3.3 **Provision of Handsets**: Two handsets, one in the cabin and one in the flight deck, will be installed on each Retrofit A/C and will incorporate crew controls and provide voice communications for American's operational purposes. From the date of installation until the earlier of (i) the completion of the Transcon Launch or (ii) Aircell's delivery of an anti-theft mechanism for the handsets, Aircell will replace any broken or lost wireless handsets at no charge to American. American will use best efforts to minimize breakage, loss or theft of the handsets.

3.4 **Aircell Broadband Service Documentation and Software**. Except as otherwise provided herein, Aircell shall provide, at no cost to American, any and all documents, manuals, guides, drawings, specifications and other information (the "**Documentation**") that American reasonably requires to install, operate, use, test and maintain the ABS Equipment. Such Documentation shall include, but is not limited to:

3.4.1 **Component Maintenance Manuals**. Supplier shall provide American with one non-editable electronic copy and one paper copy of a Component maintenance manual (the "**CMM**") for each repairable LRU delivered to American. Level Three information (sub-sub component) shall be provided in the CMMs for LRUs that are determined by the Supplier to be repairable at this level. Non-repairable LRU sub-components shall be documented to Level Two. Supplier shall use the ATA-100 Specification as a guide in the preparation of the CMM.

3.4.2 **Aircraft Maintenance Manual and Aircraft Illustrated Parts Catalog**. Supplier shall provide American with one non-editable electronic copy and one paper copy of the following manuals for each different system type delivered to American: the aircraft maintenance manual (the "**AMM**") and the aircraft illustrated parts catalog (the "**AIPC**"). Supplier shall use the ATA-100 Specification as a guide in the preparation of the AMM and the AIPC.

3.4.3 **Service Bulletins**. For so long as American has any ABS equipped aircraft remaining in service, Supplier shall provide service bulletins to American in accordance with ATA Specification 100. If the changes discussed in a service bulletin affect the CMM, revised pages for the CMM will be supplied by Supplier to American.

3.4.4 **Copies of Manuals and Bulletins**. American shall not modify, alter or reproduce any manuals, bulletins or similar items provided by Supplier to American without Supplier's prior written consent.

3.4.5 **Documentation from Third Party Suppliers**. As soon as practical following the execution of this Agreement, Supplier shall request all necessary technical documentation from the manufacturer and/or designer of components of the Retrofit Aircraft with which the ABS Equipment and Software will interface, including but not limited to, aircraft wiring data. In the event that Supplier is not successful in obtaining such documentation from any American Supplier and such event may adversely impact the Program schedule, Supplier shall promptly notify American and request American's assistance in obtaining such documentation. If Aircell is still unable to obtain the documentation from an American Supplier and the price and on the terms offered Program schedule is adversely impacted, such delay shall be considered an Excusable Delay. As used herein, "American Supplier" means a direct supplier to American other than Aircell and its direct suppliers.

3.4.6 **Delivery and Format of Documentation**. The Documents shall be provided upon request by American and in the reasonable format and manner required by American. Those Documents deemed necessary by American as of the time of execution of this Agreement will be provided at ITCM and PDR. Unless otherwise required by American and stated at ITCM or PDR, all other Documents will be provided to American by no later than seventy five (75) days prior to the delivery of the first Shipset.

3.4.7 **Right to Use**. American shall have the royalty-free right to use the Software as embedded in the ABS Equipment and use and duplicate the Documentation, solely as necessary to install, test, use and maintain the ABS Equipment on the Retrofit A/C. American shall not modify, alter or reproduce the Software, Documentation, Service Bulletins or similar items provided by Aircell to American, nor remove, alter, cover or obfuscate any copyright notices or other proprietary rights notices included therein, nor reverse engineer, decompile or disassemble the Software, without Aircell's prior written consent.

3.4.8 **Distribution List**. American Engineering will be on Supplier's distribution list for all Documentation. American will provide the address for such distribution within sixty (60) days from execution of this Agreement.

3.4.9 **On/Off Instructions**. Aircell will provide at no cost to American system ON/OFF instructions. These instructions will be provided so that American can fly the Retrofit A/C with functioning equipment but without offering the Service at any time should American's flight crew so deem necessary.

3.5 **Facilities**. Supplier will not move the final assembly of ABS Equipment provided to American from its current production facility/ies without American's written consent, which shall not be unreasonably withheld; provided, however, that this requirement shall not apply to engineering and production which normally occurs at third party facilities. Upon reasonable prior notice, Supplier agrees to give American or its designated representative direct access to the manufacturing, engineering and purchasing areas of any manufacturing facility working on this program including its sub-suppliers. It is also agreed that upon reasonable prior notice, Supplier will provide American's On Site Representative (OSR) office space, internet connectivity and telephone access located at the primary manufacturing location. When requested, Supplier agrees to provide American or its OSR current information relating to the program within a reasonable period of time but no later than 48 hours after the request if practicable. Such visits and monitoring by American shall not unreasonably interfere with the work being performed.

3.6 **Certification**. [***].

4. DESIGN CHANGES

4.1 **Mandatory Changes**. In the event Aircell must change the Specifications to help correct a safety or reliability problem, or to ensure conformance with any applicable law or regulation ("Mandatory Change"), Aircell will immediately submit a Design Change Form to American identifying the consequences of implementing such Mandatory Change, including (i) proposed changes to the ABS Equipment and/or Software; (ii) the amount of time required to implement such changes; and (iii) changes in the lead time associated with the manufacture of ABS Equipment. Upon receipt of American's approval of the proposal, which shall not be unreasonably withheld, and completion of any testing required, Aircell will promptly make the changes and complete all other requisite work as appropriate and in all ABS Equipment not yet shipped to American. Following approval by American of the Mandatory Change and all pre-production testing required, the applicable Specifications shall be construed as incorporating the Mandatory Change.

Supplier shall be responsible for all costs, including reasonable costs incurred by American, of implementation of any Service Bulletin that is classified by Supplier as a "Mandatory Change" described in this Section 4.1 or that is issued by Supplier to correct design or manufacturing defects or deficiencies described in Section 4.2.2.

4.2 **Improvements**.

4.2.1 **Upgrades**. [***].

4.2.2 **Defects**. At no charge to American, Aircell shall make all changes to the ABS Equipment and Software necessary to correct manufacturing defects or design deficiencies (i.e., where such Equipment or Software does not meet the Specifications) for the term of the Agreement from the date of initial ABS Equipment installation on each Retrofit A/C. Aircell shall provide American with the applicable modification kits and modification instructions (in the Service Bulletin). Aircell will design the modification so that the labor time for installation shall be minimized. During the term of the Agreement, there shall be no unreasonable time limitations on American's right to return ABS Equipment or Software to Aircell for the implementation of any Service Bulletin.

4.2.3 **Third Party IFE Services**. [***].

4.2.4 **Other Services and Products**. [***].

4.3 **Parts Obsolescence**.

4.3.1 Every six (6) months during the Term, Aircell shall provide American with a list of the Components that Aircell is or with the exercise of reasonable diligence would be aware will become obsolete within the next twenty-four (24) months, as well as proposed replacement parts and replacement part qualification test dates. As used in this section 4.3.1, "Component" means ABS Equipment other than consumable and expendable parts. Within ninety (90) days after providing notice that a Component will become obsolete, Aircell will advise American on the quantities of such Component Aircell believes is necessary and required to maintain and service American's Retrofit A/C for the remainder of the Term. It is Aircell's responsibility to ensure that all such Components be available at all times during the Term. In the event Components become obsolete during the Term, and if the repair of the ABS Equipment requires replacement of an obsolete Component, Aircell agrees to provide American with either.

4.3.1.1[***].

4.3.1.2[***].

5. LEASE/ PURCHASE OF EQUIPMENT. [***].

5.1 **Leased ABS Equipment**. [***].

5.1.1 **Lease/Ownership**. [***].

5.1.2 **Applicable Agreements**.

5.1.2.1 The parties agree and acknowledge that certain A/C in the Transcon Fleet or one or more Additional Fleets on which Leased ABS Equipment is installed may currently be subject to leases, mortgages or other financing agreements (each, an "Applicable Agreement") and that the terms of an Applicable Agreement may (a) prohibit installation of leased or encumbered ABS Equipment on the related A/C, (b) provide that American would be in breach of one or more of such terms if American were to install leased or encumbered ABS Equipment on such A/C or (c) render American unable to provide with respect to such A/C the covenants and assurances required by Section 5.3 of this Agreement, in any case unless certain consents or waivers ("Required Consents") are obtained. If such is the case with respect to any A/C on which Leased ABS Equipment is to be installed, American shall use commercially reasonable efforts to obtain such Required Consents, and in such event Aircell agrees to provide reasonable assistance and cooperation (including execution of such documents and/or taking of such other actions as American may reasonably request) in connection therewith; provided, however, that American will reimburse Aircell for any reasonable legal fees or other out of pocket expenses incurred by Aircell in providing such assistance and cooperation. If despite such efforts (and such assistance and cooperation) American is unable to obtain such Required Consents with respect to an A/C on terms reasonably acceptable to American within 45 days after initiating such efforts [***].

5.1.2.2 Aircell further agrees, solely vis a vis the lenders or lessors under Applicable Agreements and not in derogation of any right or remedy Aircell may have vis a vis American or any obligation American may have hereunder, that (i) it will not exercise its rights and interests in or with respect to any Leased ABS equipment in derogation of impairment of, or interference with, the rights, interests or remedies of the lessor or lender under any Applicable Agreement, and (ii) it will not, as a result of installation of Leased ABS Equipment on an A/C subject to an Applicable Agreement, have, claim or assert any lien, security interest, claim, encumbrance or other right on or against any such A/C.

5.1.2.3 Aircell further agrees, to the extent applicable under a lease with respect to a Retrofit A/C, solely vis a vis the lenders or lessors under such lease and not in derogation of any right or remedy Aircell may have vis a vis American or any obligation American may have hereunder, that (i) in the event that the lease on a Retrofit A/C terminates or the lessor or lender determines to repossess a Retrofit A/C, Aircell's sole right with respect to the Retrofit A/C and the lender or lessor shall be to remove or cause the Leased ABS Equipment to be removed from such Retrofit A/C not later than the earlier of the lease termination date and thirty (30) days after receipt of written notice from the lessor or lender that it has repossessed the Retrofit A/C, (ii) if it fails for any reason to so remove the ABS Equipment, the lessor or lender may remove the same and will be entitled to a lien (with power of sale) on the Leased ABS Equipment to secure the cost of such removal and the restoration of the A/C in accordance with (iii) below, and (iii) such right of removal is subject to and conditional upon the restoration of all alterations made to the A/C in connection with the installation of the Leased ABS Equipment to the condition prior to the installation thereof (ordinary wear and tear excepted) in accordance with an airframe manufacturer's service bulletin.

5.2 **Purchased ABS Equipment**. [***].

5.3 **Purchase Orders**.

5.3.1 **Placement of Orders**. To facilitate record keeping by both parties, American will place purchase orders for the shipsets of ABS Equipment leased from Aircell pursuant to this Agreement. The use of the term "purchase order" is not intended to imply in any way that American is purchasing or otherwise acquiring title to or any ownership interest in the Leased ABS Equipment. In the event such purchase orders contain additional or different terms and conditions than those set forth herein, the parties agree that the terms and conditions of this Agreement shall control and prevail. All purchase orders shall reference this Agreement.

Purchase Orders and any correspondence with respect thereto should be sent by American to the following address:

Aircell LLC
Attn:
1250 N. Arlington Heights Road, Suite 500
Itasca IL 60143

Each Purchase Order shall specify [***]. If there is any information missing from the Purchase Order at the time of issuance, it is Supplier's responsibility to bring this to the attention of American.

5.3.2 **Order Acceptance**. Within [***] business days after Aircell's receipt of a Purchase Order at the address shown in Section 5.1, Aircell will acknowledge receipt, and either (a) accept it by (i) signing the Purchase Order in the space provided thereon and returning it to American via return mail or confirmed facsimile, or (ii) (in the case of e-mail transmissions) by sending an electronic acknowledgement of acceptance, or (b) reject the Purchase Order in writing via the same methods permitted for acceptance and provide an explanation for why said Purchase Order has been rejected. Should written acceptance or rejection not be received by American for any Purchase Order within the time period provided above, Aircell will be deemed to have accepted such Purchase Order and the quantities, Designated Destination and delivery dates set forth therein

5.3.3 Purchase Order Changes. [***].

5.4 **Treatment**. [***].

Deinstallation. [***].

6. PACKING, SHIPPING AND DELIVERY

6.1 **[***].**

6.2 Supplier shall affix to each Product some marking that complies with FAA/American Engineering part-marking requirements and is otherwise acceptable to American. With each shipment, Supplier will include a packing list and appropriate certification paperwork indicating the Products contained in such shipment by serial number (if applicable) and listing the date of shipment. Kits shall include component part numbers. Products that are not serial number tracked shall be designated, on the packing list, by description and quantity. An example of the packing list is included as **Exhibit E**. Unless special packaging is required, Supplier shall package all Products for shipment in compliance with ATA Specification 300, Revision 17, Category III.

6.3 If Supplier has an allocation shortage, at a minimum, Supplier will secure monthly (LRU) deliveries for American to be no less than the amount proportional to the American aircraft percentage of the total number of aircrafts committed to have Supplier installed. Such proportion will be calculated based on Purchase Orders in process at Aircell at the time any such shortage occurs.

6.4 **Exhibits F, Q** and **R** set forth the delivery requirements and installation schedule for the Transcon Fleet Subsequent 737 Fleet and 757 Fleet, respectively.

6.5 If Supplier is unable to deliver equipment in accordance with the schedule set forth in **Exhibit F**, penalties will be assessed in accordance with **Exhibit F**.

6.6 [***]

7. INSPECTION AND ACCEPTANCE. Upon receipt of the Shipsets at the FOB Destination, it is American's option to inspect the Shipsets to ensure receipt of all Components in working condition. American shall notify Aircell of any discrepancies therein within thirty (30 days following receipt thereof.

8. AIRCELL SERVICES

8.1 Product-Related Services

8.1.1 Installation/Training

8.1.1.1 As of the Effective Date, American intends to perform the installation of the ABS Equipment and Software on the Retrofit Aircraft itself unless it requests that Aircell perform the installation of one or more A/C as provided in Section 8.1.4. In any event, and in addition to Supplier's other obligations hereunder, Supplier agrees to provide reasonable installation, design and/or certification support to American and/or any third party retained by American in connection therewith. [***]. Such support shall be as defined at ITCM and PDR.

8.1.1.2 All parts and materials required to install the ABS Equipment and Software on the Retrofit Aircraft are intended to be listed in **Exhibit B**. Any additional parts or materials required to install the ABS Equipment and Software will be provided by Supplier [***].

8.1.1.3 Supplier will provide installation kits that are killed per American's instructions. [***].

8.1.1.4 Supplier will provide to American and/or American-designated third parties all special tooling required or otherwise reasonably requested by American to perform the installation or test of any of the ABS Equipment and/or Software. The special tooling shall be provided [***] and shall be provided with operating and maintenance instructions. The special tooling will be delivered to the location(s) specified by American. As of Effective Date, Supplier represents that no special tooling is required.

8.1.1.5 Supplier shall provide reasonable training material and support in the manner and fashion required by American and/or American designated third parties for the operation of Supplier's ABS Equipment and Software. Supplier's role within the training development process, unless otherwise required by American, will be subordinate to the direction of American and/or American designated third parties. [***].

8.1.2 **Other**:

8.1.2.1 If a Retrofit Aircraft survey is desired by Supplier, Supplier will provide American with at least [***] prior notice of its desire to perform such aircraft survey. American will make its best reasonable efforts to accommodate Supplier's desire.

8.1.2.2 Supplier shall advise American's Program Manager of any and all ABS Equipment and/or Software that interface with and could have a potential impact on other Retrofit Aircraft Systems at least [***] before the first Retrofit Aircraft installation.

8.1.3 Installation Support

8.1.3.1 **Leased ABS Equipment** [***].

The provisions of this Section 8.1.3.1 do not apply to installation of Purchased ABS Equipment.

8.1.3.2 **Purchased ABS Equipment**. If American performs the installation of the Purchased ABS Equipment on the Subsequent MD Fleet and/or the 757 Fleet, [***].

8.1.4 **Installation**. American will perform the installation of the shipsets in accordance with the schedules in Exhibit A (including **Exhibit A-1**, **A-2**, etc.) and **Exhibit Q-1**; provided, however, that Aircell will perform (or cause to be performed) the installation on some of the A/C if American so requests and provides Aircell with reasonable advance notice. [***]. Aircell will provide such installation, training and support services as described in **Exhibit F**, as well as such support as reasonably requested by American for the operation of the ABS Equipment.

8.1.5 **Maintenance, Training and Support**. Aircell will maintain the ABS Equipment during the Term of this Agreement and will establish and follow a maintenance program sufficient to enable it to provide the level of service and support required under the applicable Service Levels. Aircell shall maintain an FAA repair station certification and shall obtain American's quality assurance approval for all repair stations utilized for repair of the ABS Equipment. Repair subcontractors may only be used with the prior written approval of American, with approval based solely on their ability to meet American's published Quality Assurance Standards and obtain FAA repair station certification. In addition Aircell agrees that the maintenance program will be designed such that routine maintenance can be provided within the footprint of American's existing maintenance program and flight operations schedule. A detailed list of ABS Equipment maintenance services provided by Aircell pursuant to the terms of this Agreement is set forth in **Exhibit G**. American agrees to provide Aircell such access to Retrofit A/C as is required to allow Aircell to perform routine maintenance consistent with the terms set forth in **Exhibit G**. With respect to Leased ABS Equipment and the Subsequent MD Fleet, Aircell's maintenance services, as provided in this section and **Exhibit G**, [***]. Aircell will also provide such support and training services for the Transcon, 737 and 757 Fleets as described in **Exhibits F, Q** and **R**, respectively, and as otherwise reasonably requested by American for the operation of the ABS Equipment and Software.

8.1.6 **Testing**. [***].

8.2 **Marketing**. AA and Supplier agree to work together, throughout the term of the Agreement, to develop and distribute marketing material to promote the Service. The annual budget for joint marketing activities, as well as the parties' respective financial commitments with respect thereto, will be mutually agreed upon by the parties and included in **Exhibit I** as amended from time to time. A sample of joint marketing activities is attached to this Agreement as **Exhibit I-1**. Aircell will conduct such joint marketing activities as set forth in **Exhibit I** and as otherwise mutually agreed upon by both parties. In addition, subject to the applicable provisions of **Exhibit I**, Aircell may conduct such independent marketing with respect to the Aircell Broadband Service as Aircell elects in its sole discretion. The parties acknowledge and agree that they have been negotiating the terms of an amended and restated **Exhibit I** to replace the attached **Exhibit I** and that they intend to continue such negotiations in good faith for an additional thirty (30) days from the date hereof or such longer period as may be mutually agreed upon. Unless and until so replaced or otherwise amended, however, the attached **Exhibit I** shall remain in full force and effect.

8.3 **Service Levels**. Supplier shall follow the steps outlined in the Service Failure Chart included in **Exhibit J** - **Service Level Agreement** that shall determine the levels of support provided to American in the event ABS does not perform at required levels.

8.4 **Wireless Distribution of Content**. The parties' agreements with respect to Wireless Distribution of Content are set forth in **Exhibit L** to this Agreement.

8.5 **Compliance with Laws and Privacy Policy; Certification**. Throughout the term of this Agreement, Aircell will (at its sole cost and expense) comply with all laws, rules and regulations, including without limitation CALEA (Communications Assistance for Law Enforcement Act), applicable to ABS and/or the System and shall obtain and maintain all required Certifications. American acknowledges that Aircell has provided to American copies of (i) a certificate from Neustar Inc., Aircell's third party advisor, as to Aircell's CALEA compliance, and (ii) the STC for the Initial Fleet. Throughout the term, Aircell will provide to American, as received, copies of other certificates, if any, issued by Neustar or any law enforcement agency or regulatory body regarding compliance with CALEA or other applicable laws, rules or regulations, including the Certifications required for any fleets installed subsequent to the Initial Fleet, and will notify American, promptly upon receipt, of any suspensions, cancellations, revocations or withdrawals of any such certifications. Aircell represents and warrants to American that to the best of its knowledge and belief it is in material compliance with all such laws, rules and regulations. Notwithstanding anything to the contrary set forth in Section 9.5 (Aircell Broadband Service Availability) of this Agreement, if at any time American has reasonable grounds to believe that Aircell does not have all required Certifications or otherwise is not in material compliance with all applicable laws, rules or regulations, including without limitation CALEA, American may refuse to turn on ABS (if prior to Transcon Launch) or cause ABS to be turned off (if after Transcon Launch) on all affected Retrofit A/C until such time as Aircell can demonstrate, to American's reasonable satisfaction, that it has all such Certifications and otherwise is in material compliance. Aircell will also comply with the Privacy Policy that Aircell provides to ABS Users.

8.6 **Developments in Technology**. [***].

8.7 **Content Filtering**. The parties' agreements with respect to content filtering services are set forth in **Exhibit S** to this Agreement.

8.8 **Multi-Airline Products**. Aircell may from time to time sell Users subscriptions or other products that can be used to access Aircell's portal on American and other airlines. [***].

9. AMERICAN OBLIGATIONS

9.1 **Fleet Availability**. American agrees to make the Transcon Fleet and Additional Fleets available for installation of the ABS Equipment, and testing and Certification of the ABS Equipment and Aircell Broadband Services, in accordance with the schedule and related terms set forth in the applicable exhibit to this Agreement, as such exhibit may be changed from time to time in accordance with the terms thereof or otherwise by mutual agreement.

9.2 **Installation**. Whenever American elects to perform the installation of ABS Equipment itself, American will be solely responsible for installing the ABS Equipment on the American A/C strictly in accordance with the Documentation (the "**Installation Guidelines**"). Aircell shall not be responsible for any failures to the extent they arise out of or relate to a failure by American to follow the Installation Guidelines, nor shall such failures give rise to any rights to termination or damages under this Agreement.

9.3 **Compliance with Laws and Certification**. American will reasonably assist Aircell in its compliance with all applicable laws and regulations, including without limitation CALEA American will provide Aircell reasonable access to the Retrofit A/C and such assistance as Aircell reasonably requests to obtain and maintain Certification of the ABS Equipment and Aircell Broadband Services.

9.4 **Engineering**. American Engineering commitments will include: American assistance on aircraft surveys, data and information on existing aircraft systems (that are not restricted intellectual property) and design-for-maintenance knowledge, as required by Supplier. American engineering will also work with Aircell to develop, and must approve, all installation designs and systems operational characteristics, to ensure they meet all airworthiness and American operational requirements

9.5 **Aircell Broadband Service Availability**. American will make the Aircell Broadband Service available to all passengers on board Certified Retrofit A/C on all commercial flights within the Territory during such time period as American may make the Aircell Broadband Service available in compliance with the Certification requirements. [***].

9.6 **Information Sharing**. American will provide Aircell, on a weekly basis or as otherwise agreed, with such information regarding its ticketing, passengers, A/C, terminals, gates, flights and load factor as necessary for Aircell to perform its obligations (including the determination of Take Rates and revenue share) under this Agreement, and as Aircell reasonably requests to improve Take Rates, the Aircell Broadband Service and revenue generation.

9.7 **Marketing**. AA and Supplier agree to work together, throughout the term of this Agreement, to develop and distribute marketing material to promote the Service. The annual budget for joint marketing activities, as well as the parties' respective financial commitments with respect thereto, will be mutually agreed upon by the parties and included in **Exhibit I** as amended from time to time. American will conduct such joint marketing activities as set forth in **Exhibit I** and as otherwise mutually agreed upon by the parties.

10. PROJECT ADMINISTRATION

10.1 **Personnel**. To help ensure a successful Program, for the Initial Fleet, Aircell agrees to provide the appropriate resources, including a Program Manager and an Engineering Liaison, at no additional charge to American, as well as Fly Along Agents (as defined below). The Program Manager and/or Engineer must be self-sufficient and be able to act independently to review drawings, manuals, and other technical documents and initiate and manage changes to Aircell provided drawings, manuals, and technical documents with minimal involvement by American engineering.

10.1.1 **Program Manager**. The Program Manager shall be responsible for project scheduling, meeting facilitation (to include action item logs), and acting as an initial point of contact. In the event Aircell plans to replace the Program Manager, to the extent practicable, Aircell will provide American with two (2) weeks advance notice.

10.1.2 **Engineering Liaison**. The Engineering Liaison shall be responsible for the coordination of technical integration concerns between Aircell, American, and American designated third parties. The Engineering Liaison must be an engineer who is familiar with the technical aspects of the ABS Equipment, Software, and System integration requirements. The Engineering Liaison must be directly accessible to American and/or American designated third parties.

10.1.3 **Fly Along Agents**.

10.1.3.1 **During Transcon Launch**. [***].

10.1.3.2 **Routine/ Service Maintenance**. [***].

10.2 **Meetings**. Upon American's reasonable request, Aircell agrees to participate in those meetings with American or American Contractors of which Aircell is given sufficient advance notice. Such meetings may include Technical Interchange Meetings (TIM), an Initial Technical Coordination Meeting (ITCM), a Preliminary Design Review (PDR), a Critical Design Review (CDR), Production Readiness Reviews (PRR), First Article Inspection(s) (FAI), Program Reviews and supplier conferences, and may be conducted face-to-face or by teleconference. Aircell will attend such meetings with the appropriate personnel. Unless otherwise required by American, Program Reviews will be held every month during the design, development, production, and installation of Aircell's ABS Equipment and Software.

10.3 **Reporting**.

10.3.1 **Usage Reports**. Along with the revenue payments made to American, Aircell will provide usage reports ("Usage Reports") on a monthly basis that will detail Take Rates on each Retrofit A/C. Format and content of the Usage Reports will be defined by both parties. American may request that Aircell provide more frequent Usage Reports if American deems it reasonably necessary; provided American provides load factors and other required information as frequently. An example of a Usage Report is attached as **Exhibit K.**

The parties will provide program reports ("Program Reports") to one another on no less than a weekly basis to keep one another informed of the status of the Program in a timely manner. The parties will mutually agree upon the information to be included in, and format of, the Program Reports.

During the Transcon launch, American and Aircell will both work together to ensure that the required reports are delivered in a timely manner to both parties to ensure the successful monitoring of the program

11. REVENUE SHARE AND PAYMENT

11.1 **Reconciliation for Payments Prior to First Restatement Effective Date**. [***].

11.2 **Revenue Share**.

11.2.1 **Amount of Revenue Share from Connectivity Revenue**. Beginning on the date on which ABS is available for purchase on the first installed aircraft of a Fleet Type other the Initial Fleet, [***].

11.2.2 **Aircraft Added in Last 3 Years of Term**. [***].

11.2.3 **Replacement A/C**. In the event that any Retrofit A/C in the Transition Fleet is removed from service during the Term and replaced by another Retrofit A/C (a "**Replacement A/C**") [***].

11.3 **Incremental Revenue.** [***].

11.4 **Invoices and Payment**.

11.4.1 **By American**. Payment by American for Purchased ABS Equipment shall be made [***] from the date of issuance of Aircell's invoice therefor, which shall not precede shipment of the Purchased ABS Equipment. Payment by American for ABS Services Certificates and any Services shall be made [***] therefor, which date shall be noted thereon. In the event that American in good faith disputes any invoiced amount(s), then within [***], American will notify Aircell in writing of the disputed amount(s) and submit payment for all undisputed amounts in accordance with this Section, and American's nonpayment of such disputed amounts pending resolution will not constitute a breach by American of this Agreement. The unpaid disputed amount(s) will be resolved by mutual negotiations of the parties. Invoices to American hereunder shall be sent by Aircell using American's electronic invoicing system. All amounts shall be payable in U.S. Dollars and paid, either via credit or by wire transfer or electronic payment through the Automated Clearing House, to American's depository bank at the following address:

American Airlines, Inc.
Disbursements Accounting
P.O. Box 582839
MD 78874158-2839
Tulsa, OK

11.4.2 **By Aircell**. The American Connectivity Revenue Share will be calculated and reported on a monthly basis and amounts owed thereunder will be paid to American within [***] of the end of the month in which Aircell collected the Connectivity Revenue. The American Incremental Revenue Share will be paid on an annual basis within [***] of receipt of Load Factor information for the applicable year from American. Invoices to Aircell for the American Revenue Share earned hereunder should be sent by American to the following address:

Aircell LLC
Attn: Accounts Receivable
1250 N. Arlington Heights Road, Suite 500
Itasca IL 60143

Additional Ancillary Revenue from Other Services [***].

Exhibit I sets forth the agreed-upon revenue share for advertising revenues and certain other revenues related to ABS, and **Exhibit L** sets forth the agreed-upon revenue share from Wireless Distribution of Content.

11.5 [***].

11.6 **Promotional Offerings.** [***].

11.7 **Penalties**. Except as specifically provided herein and subject to the provisions of Section 11.5 regarding disputed invoices, any fee, penalty, reimbursement or other sum payable hereunder will be due [***] from the date the amount is established and invoiced by the party entitled to payment ("Payee") and submitted to the party responsible for paying (the "Payor') and shall be payable in U.S. Dollars and, at Payee's sole discretion, either via credit/check or wire transfer.

11.8 **Taxes**. Aircell will be responsible for taxes or any other government charge imposed on the usage of ABS. American will be responsible for any tax or government charge imposed on the sale by Aircell of the ABS Equipment and Software. Aircell will be responsible for any taxes associated with the shipping of the equipment for the Transcon Fleet and each Additional Fleet.

11.9 **Audit**.

11.9.1 **By American**. Aircell shall keep full and accurate records of all orders, shipments, payments and invoices in connection with providing the ABS Equipment, Software and Services, as well as such other documents and records as American shall reasonably require in order to audit Aircell's compliance with this Agreement, [***] provided, however, that such auditor shall not be entitled to access to any information that Aircell may not disclose pursuant to confidentiality obligations to any third party. The audit, for purposes of certifying Aircell's compliance with the terms of this Agreement, may be conducted no more than once every twelve months upon reasonable advance written notice and in a manner that minimizes disruption on Aircell's business at American's expense by a public accounting firm appointed by American and approved by Aircell. Any such auditor shall agree, in a writing satisfactory to Aircell, to maintain the confidentiality of all information disclosed pursuant to such audit.

11.9.2 **By Aircell**. American shall keep full and accurate records related to Take Rates and installation and use of all ABS Equipment, as well as such other documents and records as Aircell shall reasonably require in order to audit American's compliance with this Agreement, and shall make such records available for annual audit by Aircell (at Aircell's sole cost and expense), upon reasonable prior notice, during normal business hours at American's facility(ies) where such records are located, [***] after the expiration or earlier termination of this Agreement; provided, however, that Aircell shall not be entitled to access to any information that American may not disclose pursuant to confidentiality obligations to any third party. Subject to the same conditions, restrictions and limitations as set forth in the preceding sentence, Aircell will have the right to instead appoint, at its own expense, a public accounting firm appointed by Aircell and approved by American, to conduct an annual review of the take rates and installation and use of all ABS equipment and certify American's compliance with the terms of this Agreement. Any such auditor or accounting firm shall execute American's standard release form, shall strictly comply with American's facility and workplace safety, security and other similar rules and regulations and shall also agree, in a writing satisfactory to American, to maintain the confidentiality of all information disclosed pursuant to such audit or review, and no such audit or review shall unreasonably interfere with American's business or operations.

11.10 **No Deduction, Offset or Withholding**. Except as specifically contemplated under this Agreement, each party will pay all amounts owed to the other party without any deduction, offset or withholding of any kind or nature or for any reason whatsoever.

12. WARRANTY

12.1 **Each Party**. Each party hereby represents and warrants to the other party the following:

12.1.1 Such party is duly organized and validly existing and has the power and authority to execute and deliver, and to perform its obligations under, this Agreement, including, with respect to Aircell, the right to grant licenses and perform its services hereunder.

12.1.2 Such party's execution and delivery of this Agreement and performance of its obligations hereunder have been and remain duly authorized by all necessary action and do not contravene any provision of its certificate of incorporation or by-laws (or equivalent documents) or any law, regulation or contractual restriction binding on or affecting it or its property.

12.1.3 This Agreement is such party's legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

12.2 **Aircell**. Aircell warrants that:

12.2.1 All ABS Equipment and Software provided hereunder will, at the time of installation, comply with all applicable laws, rules and regulations, including without limitation, all Federal Aviation Administration ("FAA") orders or regulations and those of any other United States regulatory agency or body having jurisdiction over the ABS Equipment or Software.

12.2.2 Except for the allegations described in Schedule I to this Agreement, to the best of its knowledge after reasonable inquiry, the Aircell Technology, including the Aircell Broadband System, ABS Equipment and Software, system interfaces and Aircell Broadband Service, does not infringe a valid patent, copyright, trade secret, trademark or other proprietary or intellectual property of a third party.

12.2.3 ABS Equipment and Software shall comply with all test requirements required by law or as otherwise agreed upon by the parties in accordance with the terms of this Agreement.

12.2.4 All ABS Equipment and Software (including Software either embedded in ABS Equipment or specifically designed for use in or with such ABS Equipment) provided hereunder shall (i) be free from any liens or encumbrances arising by, through or under Aircell, and (ii) be permanently marked with the manufacturing date.

12.2.5 The cellular and wireless functionality associated with the ABS Equipment are not designs that originated with American.

12.2.6 The Services will be performed in a professional and workman-like manner consistent with industry standards.

12.2.7 During the Term of this Agreement (subject, with respect to the 757 Fleet, to American paying any annual maintenance fee that is payable pursuant to Section 8.1.5), the ABS Equipment will function substantially in accordance with the Specifications and shall be free from defects in material, workmanship and design.

12.3 **Services**. Aircell shall follow the steps outlined in the Service Failure Chart included in **Exhibit J** which sets forth the levels of support provided to American in the event the Aircell Broadband Service does not perform in accordance with the Service Levels detailed in **Exhibit J**. For all other Services, Aircell shall, as its sole obligation and American's sole and exclusive remedy for any breach of the warranty set forth in Section 12.2.6, re-perform the Services which gave rise to the breach or, if it cannot cure the defect, refund the fees paid by American for the Services which gave rise to the breach; provided that American has notified Aircell in writing of the breach within thirty (30) days following performance of the defective Services, specifying the breach in reasonable detail.

12.4 **Disclaimer**. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRRANTIES SET FORTH IN SECTION 12.2, AIRCELL MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NONINFRINGEMENT WITH REGARD TO ANY EQUIPMENT, SERVICE OR MATERIALS PROVIDED UNDER THIS AGREEMENT.

13. TERM AND TERMINATION

13.1 **Term**. The term of this Agreement will begin on the Effective Date and continue [***].

13.2 **Termination During Transcon Launch**. [***].

13.2.1 [***].

13.2.2 [***].

13.2.3 [***].

13.3 [***].

13.3.1 [***].

13.3.2 [***].

13.3.3 [***].

13.3.4 [***].

13.3.5 [***].

13.4 **Termination for Cause**. Upon the occurrence of any Event of Default, the non-defaulting party shall be entitled to terminate this Agreement and, except as otherwise expressly provided herein, shall further be entitled to all other rights and remedies available to such party under this Agreement or applicable laws, which rights and remedies shall be cumulative and not exclusive. The following events shall constitute an "Event of Default" hereunder:

13.4.1 If either party shall fail in the performance of any of its material obligations contained in this Agreement, which failure continues uncured for a period [***] following written notice from the other party.

13.4.2 If either party shall file a voluntary petition in bankruptcy, shall be adjudicated as a bankrupt or insolvent, shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statute, law or regulation, shall seek, consent to or acquiesce in the appointment of any trustee, receiver or liquidator for itself, shall make any general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due.

13.4.3 If a petition shall be filed against either party seeking any reorganization, composition, readjustment, liquidation or similar relief for such party under any present or future statute, law or regulation, which petition shall remain undismissed or unstayed for an aggregate of thirty (30) days (whether or not consecutive), or if any trustee, receiver or liquidator of either party shall be appointed, which appointment shall remain unvacated or unstayed for [***] (whether or not consecutive).

13.4.4 If any material representation or warranty made by either party herein or in any statement or certificate furnished or required hereunder or in connection with the execution and delivery hereof proves to have been untrue in any material respect as of the date of the making thereof.

13.5 **Other Rights to Terminate**.

13.5.1 [***].

13.5.2 With respect to each of the Fleet Types, [***].

13.6 [***].

13.7 **Effects of Termination**.

13.7.1 **During Transcon Launch**. [***].

13.7.2 **At Any Time** [***].

14. INTELLECTUAL PROPERTY RIGHTS

14.1 **Ownership**. American acknowledges and agrees that, as between the parties, Aircell is the owner of all right and title in and to the Aircell Technology and that all intellectual property rights, including copyrights, trade secrets and patent rights, embodied in the Specifications and the ABS Equipment and Software shall be exclusively vested in Aircell. Aircell acknowledges and agrees that, as between the parties, American is the owner of all right and title in and to the American Technology.

14.2 **Trademark License**. Each party grants the other party hereunder a limited, non-exclusive, non-transferable, royalty-free right and license for the Term to use that party's trade name and logo and such of that party's trademarks as are directly applicable to the Program (collectively, the "Marks"), solely for use by such other party for the purpose of such other party's authorized joint marketing efforts with respect to the Program. Each party will comply with the other party's trademark usage guidelines in using any Mark of the other party. Except as expressly authorized by this Agreement, neither party will make any use of the other party's Marks in a manner that dilutes, tarnishes or blurs the value of the other party's Marks.

14.3 **Third Party Infringement Claims**.

a) [***].

b) [***].

c) [***].

d) "Credit Support" for purposes of the foregoing provisions means security in favor of [***].

e) [***].

f) [***].

g) [***].

15. CONFIDENTIALITY

15.1 General. American and Aircell have executed a Confidentiality Agreement (the "NDA") dated October 15, 2007, the terms and conditions of which are incorporated by reference, and govern all use and disclosure of confidential information hereunder by and between the parties. In the event of conflicting provisions, the terms of this Agreement shall control. The disclosure period under the NDA will terminate on the same date that this Agreement terminates or expires.

16. INDEMNITY

16.1 By Aircell. [***].

16.2 Exclusions and By American. [***].

16.3 Procedures. [***].

16.4 Remedies. [***].

17. INSURANCE

17.1 American Requirements. American agrees to keep in full force and effect and maintain at its sole cost and expense the following policies of insurance with the specified minimum limits of liability during the term of this Agreement:

17.1.1 Comprehensive Aviation Liability Insurance, including personal injury, products and completed operations, war risk and allied perils and contractual liability in an amount not less than [***] combined single limit per occurrence (and in the aggregate with respects to products), which insurance may be provided by a combination of primary and umbrella coverages, covering all liability arising out of any bodily injury (including death of any person) and any damage to (including destruction of) property.

17.1.2 Aircraft Hull Insurance covering loss or damage to ABS Equipment once permanently installed on the aircraft in an amount not less than the full replacement or repair cost of such ABS Equipment. Such insurance shall include Aircell as loss payee solely as respects the value of the ABS Equipment.

17.2 Aircell Requirements. Throughout the term of this Agreement, and as otherwise specified below, Aircell shall maintain in full force, at its expense, the following insurance coverage with carriers reasonably acceptable to American:

17.2.1 Aviation Products Liability/Completed Operations Liability Insurance, including contractual coverage, in an amount not less than U.S. [***] which insurance shall not be required to be procured until immediately prior to the first delivery of ABS Equipment hereunder but shall be maintained for a period of five (5) years following the expiration or termination of this Agreement;

17.2.2 Property Insurance covering all risks and covering all property in Aircell's custody or control in an amount at least equal to the value of such property.

17.2.3 Worker's Compensation Insurance in the statutory amount(s) required by the State(s) where the ABS Equipment and/or Software are manufactured and/or installed and/or Services are performed and Employer's Liability Insurance in an amount not less than U.S. [***]. In lieu of Workers' Compensation Insurance, Aircell may satisfy the requirements of this subsection by being a qualified self-insurer in such State(s).

17.3 Policy Requirements. Each party shall have its insurer(s) provide annual certificates of insurance evidencing the coverages required herein commencing upon execution of this Agreement, and such insurance certificates shall also reflect that policy(ies) include the following special provisions:

17.3.1 The insurer(s) has(ve) accepted and insured the provisions of Section 16 (Indemnification) of this Agreement.

17.3.2 The insurer(s) has(ve) waived any rights of subrogation it/they may or could have against any of the Indemnified Parties.

17.3.3 Each such insurance coverage is and shall be primary without right of contribution from any insurance coverage carried by the Indemnified Parties.

17.3.4 The insurer(s) will give at least thirty (30) days prior written notice to other party before any adverse change in the coverage of the policy(ies).

17.3.5 No such insurance coverage shall be invalidated with respect to any of the Indemnified Parties by any action or inaction of the insure party.

18. LIMITATION OF LIABILITY

18.1 Limitation. [***].

18.2 **Exclusions**. The limitation of liability in Section 18.1 shall not apply with respect to claims arising out of a breach of Section 8.5, 14 or 15 or Article 5 or 8 of **Exhibit I** or arising under Section 16. In addition, the limitation of liability in the last sentence of Section 18.1 shall not apply with respect to claims arising out of a breach of Section 5.4 – "Deinstallation."

19. EXCUSABLE DELAYS

19.1 **Definition**. Either party shall be excused from performance of its obligations hereunder, and shall not be liable to the other party for any direct, indirect, special, incidental, consequential or punitive damages suffered or incurred by the other party arising out of a total or partial failure to perform hereunder or delay in such performance, to the extent resulting directly from any event or occurrence beyond the reasonable control of the delayed party (collectively, "Excusable Delay"), including, without limitation, (i) acts of God, (ii) wars or acts of a public enemy, (iii) acts, failures to act or delays of the Governments of any state or political subdivision or any department or regulatory agency thereof or entity created thereby, including, without limitation, national aviation authorities, (iv) quotas or embargoes, (v) acts of sabotage, (vi) fires, floods or other natural catastrophes, or (vii) strikes, lockouts or other labor stoppages, slowdowns or disputes; provided, however, that such delay is not occasioned by the fault or negligence of the delayed party. Any Excusable Delay shall last only as long as the event remains beyond the control of the delayed party and only to the extent that it is the direct cause of the delay. By way of clarification, and without limiting the foregoing, any act, failure to act or delay described in clause (iii) of this section shall not be an Excusable Delay if and to the extent such act, failure to act or delay results from Aircell's failure to comply with **Exhibit F** or any other schedule agreed upon by the parties. For the avoidance of doubt, a delay by any of Aircell's subcontractors shall not be an Excusable Delay unless the subcontractor itself has experienced an Excusable Delay.

19.2 **Recourse**. The delayed party shall notify the other party within a reasonable time after it discovers an Excusable Delay has occurred, in writing, specifying the cause of the delay and, to the extent known, estimating the duration of the delay. No delay shall be excused unless such written notice shall have been given as required by this section. If the Excusable Delay lasts in excess of ninety (90) days, the non-delayed party shall have the right to terminate this Agreement.

20. GENERAL

20.1 **Independent Contractors**. Aircell is an independent contractor of American, and personnel used or supplied by Aircell in performance of this Agreement shall be and remain employees or agents of Aircell and under no circumstances shall be considered employees or agents of American. Aircell shall have the sole responsibility for supervision and control of its personnel.

20.2 **Use of Subcontractors**. Aircell shall provide an initial list of all major subcontractors utilized by Aircell for the manufacture of the ABS Equipment, development of the Software and/or performance of the Services for American's approval, which shall not be unreasonably withheld. After obtaining American's approval of the initial list, Aircell will obtain American's prior approval of any and all proposed changes thereto, which shall not be unreasonably withheld. American's rejection of a subcontractor may result in delivery delays or additional costs, as negotiated by the parties in good faith. Nothing in this Agreement shall create any contractual relationship between American and any such subcontractor, and no subcontract shall relieve Aircell of its obligations hereunder should

the subcontractor fail to perform in accordance with the provisions of this Agreement. American shall have no obligation to pay or to see to the payment of any money to any subcontractor. Aircell shall be solely responsible for the acts and omissions of the Aircell subcontractors, with which Aircell shall have entered into agreements that contain confidentiality provisions at least as protective as those set forth herein. Any breach by an Aircell subcontractor of any terms or conditions of this Agreement shall be deemed a breach by Aircell.

20.3 **Notice**. Any notice, demand or document that either party is required or otherwise desires to give or deliver to or make upon the other party hereunder shall be in writing and shall be (a) personally delivered, (b) deposited in the United States Mail, registered or certified, return receipt requested, with postage prepaid, (c) sent by overnight courier, or (d) sent by facsimile with confirmation of receipt, addressed as follows:

If to American: American Airlines, Inc.
2000 Eagle Parkway
Ft. Worth, TX 76177
ATTN: Aircraft Programs' Purchasing Managing Director
Mail Drop 8250
Fax: (817) 224-0044

If to Aircell: Attn: General Counsel
Aircell LLC
1250 N. Arlington Heights Road, Suite 500
Itasca IL 60143
Fax: (630) 285-0191

or to such other address as either party shall designate for itself by notice given to the other party as aforesaid. Any such notice, demand or document shall be deemed to be effective upon receipt of the same by the party to whom the same is addressed.

20.4 **Assignment**. This Agreement shall inure to the benefit of and be binding upon each of the parties and their respective successors and assigns, but neither the rights nor the duties of either party under this Agreement may be voluntarily or involuntarily assigned or delegated, in whole or part, without the prior written consent of the other party, such consent not to be unreasonably withheld.

20.5 **Governing Law; Dispute Resolution**. This Agreement shall be governed by and construed according to the internal laws of the State of New York without regard to conflicts of laws principles. Each party agrees to negotiate in good faith to resolve any dispute, claim or controversy arising out of or related to this Agreement. In the event the parties are unable to resolve the dispute within fifteen (15) days following the commencement of negotiations, each party shall escalate the dispute through the appropriate levels of management, up to and including the level of Chief Executive Officer at Aircell and Vice President-Purchasing or higher at American, until the resolution of the issue is achieved or the respective executives cannot agree to a resolution of the dispute. Unless otherwise agreed to by both parties, in no event shall the escalation process exceed thirty (30) days.

20.6 **Press Release/Publicity**. Except as provided in **Exhibit I**, neither party hereto shall use the name or any trade name of or otherwise refer to the other party or any of its affiliates, directly or indirectly, in any advertisement, news release or professional or trade publication without receiving prior written approval from such other party.

20.7 **Savings Clause**. If any provision of this Agreement is declared unlawful or unenforceable as a result of final administrative, legislative or judicial action, this Agreement shall be deemed to be amended to conform with the requirements of such action and all other provisions hereof shall remain in full force and effect.

20.8 **Waiver**. No failure or delay by either party in requiring strict performance of any provision of this Agreement, no previous waiver or forbearance of any provision of this Agreement by either party and no course of dealing between the parties shall in any way be construed as a waiver or continuing waiver of any provision of this Agreement.

20.9 **Final Agreement**. This Agreement constitutes and represents the final agreement between the parties as to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no oral agreements between the parties. This Agreement may be amended in whole or in part only in a writing signed by both parties.

20.10 **Captions**. The section headings herein are for convenience of reference only and are not intended to define or aid interpretation of the text hereof.

20.11 **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which together shall constitute one and the same instrument, and if so executed in counterparts will be enforceable and effective upon the exchange of executed counterparts or the exchange of facsimile transmissions of executed counterparts.

20.12 **Survival**. Notwithstanding anything herein to the contrary, any sections or portions of any sections of this Agreement (including the Exhibits hereto) that by their express terms survive, or by their nature should survive, expiration or termination of this Agreement shall survive such expiration or termination.

IN WITNESS WHEREOF, the parties have executed and delivered this Second Amended and Restated Agreement as of the date first written above.

AIRCELL LLC

By: /s/ Michael J. Small

Name: Michael J. Small

Title: President and CEO

Date: 4/11/11

AMERICAN AIRLINES, INC.

By: /s/ John R. MacLean

Name: John R. MacLean

Title: V.P. Purchasing

Date: 5/11/11

Appendix 3A: American Restricted Advertisers

[***]

Appendix 3B: Duplicative American Restricted Advertisers

[***]

Appendix 4A: Supplier Restricted Advertisers

[***]

EXHIBIT A-1

TRANSCON LAUNCH PRELIMINARY CALENDAR

"Phase I" shall include diagnostic testing on the Prototype A/C for the purposes of obtaining STC.

"Phase II" shall begin after the Prototype A/C have been retrofitted with the ABS Equipment and Phase I has been completed.

"Phase III" shall begin when all aircrafts in the Initial Fleet have been retrofitted with the ABS Equipment and returned to service. [***].

INSTALLATION SITE AND SCHEDULE FOR TRANSCON FLEET

Aircell will schedule deliveries of the Shipsets as requested by American thirty (30) days prior to a mutually agreed installation date. The Installation Site and Schedule details are set forth below. Changes to this schedule are permissible by mutual consent of both parties.

[***]

EXHIBIT A-2

INSTALLATION SITE AND SCHEDULE FOR 737 FLEET

Aircell will schedule deliveries of the Shipsets as requested by American [***] prior to a mutually agreed installation date. The Installation Site and Schedule details are set forth below. Changes to this schedule are permissible by mutual consent of both parties.

[***]

EXHIBIT A-3

INSTALLATION SITE AND SCHEDULE FOR MD FLEET

Aircell will schedule deliveries of the Shipsets as requested by American [***] prior to a mutually agreed installation date. The Installation Site and Schedule details are set forth below. Changes to this schedule are permissible by mutual consent of both parties.

[***]

MD 80 TAIL NUMBERS ARE SUBJECT TO CHANGE AND THE ORDER IN WHICH THE AIRCRAFT TAIL NUMBERS ARE RETROFITTED ARE SUBJECT TO CHANGE AT AMERICAN'S DISCRETION SO LONG AS THE TOTAL NUMBER OF INSTALLED MD8OS DOES NOT CHANGE

EXHIBIT B

ABS EQUIPMENT AND LEAD TIME

A Shipset consists of the following:

ITEM	LEAD TIMES	QTY REQUIRED	AIRLINE PRICE EACH	TOTAL AIRLINE KIT COST
[***]	[***]	[***]	[***]	[***]

DURING DE-INSTALLATION, THE EQUIPMENT EXCLUDING THE INSTALLATION KIT WILL BE REMOVED

EXHIBIT C

SPECIFICATIONS

Physical Dimensions & Electrical Load
ABS System on Boeing 767-200
[***]

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information

American Airlines 767-200 Installation Kits – STC (131114)

No.	Part No.	Drawings	Qty	Weight (lbs)	Total	Location FS
[***]	[***]	[***]	[***]	[***]	[***]	[***]

EXHIBIT D

CHANGE REQUEST FORM

This change request form is to be used by members of the Connectivity Core Team only. The purpose of this form is to document and track all changes to the scope of the program and detail any cost or timeline impacts. The team will review the CR and discuss whether or not it will be approved.

Process Steps:

☐ ***Step One:***

1. Contact initiating partner's appropriate internal resource to obtain a number for the CR.
   - AA Resource: Karen Shultz
   - Aircell Resource: Tamara Roberts
2. Complete attached change request form and provide as much detail as possible within the space allotted

☐ ***Step Two:***

1. Send the filled-in form to the appropriate Core Team Member
2. Core Team Member will review, determine disposition and approve for release to Core team. This member is responsible for reviewing with the Core Team.
3. The Core Team Member will submit the CR.
4. Aircell Program Management will log the CR on the Change Log tracking form.

☐ ***Step Three:***

1. The receiving partner will obtain an internal tracking number for the CR.
2. The receiving partner will review with/ follow process of their internal team and determine disposition.

☐ ***Step Four:***

1. Receiving partner will report on CR disposition and/ or obtain additional information as required.
2. After disposition, agreement to the action and/ or closure will be indicated and signed by authorized signatures from both the initiating and receiving partner.

☐ ***Step Five:***

1. Aircell Program Management will update the Change Log tracking form and, based upon final disposition, manage the updating of required documents

SUBMIT DATE: <date the CR is being submitted>

SUBMITTED BY: <name of Core Team member submitting change>

TITLE OF CHANGE REQUEST : <place name of change request; this is what the CR will be referenced as>

AMERICAN AIRLINES PROJECT CR #:

AIRCELL PROJECT CR #:

PRIORITY:

☐ High Priority / Urgent
☐ Priority (normal)
☐ Low Priority

TYPE OF CHANGE:

<define the type of change ex. Schedule, pricing, scope of work etc.>

DETAILED DESCRIPTION:

<describe the scope of work being outlined in the change request with some detail>

JUSTIFICATION FOR PROPOSED CHANGE:

<identify and detail the reasons for the change request>

COST IMPACT FROM PROPOSED CHANGE:

<identify the known upfront cost/savings and recurring costs/savings that would result from the change request being implemented>

TIMELINE IMPACT FROM PROPOSED CHANGE:

<identify the timeline impact that would result from change. Identify clearly if it will impact milestones and on-dock date>

IMPACTS TO OTHER PARTS OF THIS PROGRAM:

<identify any impacts to other components of this program such as the Business Class seat or IFE etc>

ASSUMPTIONS AND CONSTRAINTS:

<what constraints or assumptions are required to support the CR>

DATE RESPONSE DUE FROM RECEIVING PARTNER:

ESTIMATED DATE TO REVIEW WITH CORE TEAM: *<date that the CR will be reviewed with Core Team>*

CR DISPOSITION: *<Go/ No Go decision and why>*

AUTHORIZED SIGNATURES:

Signature	Signature
Date	Date
Name	**Name**

EXHIBIT E

PACKING LIST (for 767-200)

[***]

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information

Exhibit E-1

EXHIBIT F

INSTALLATION SCHEDULE, TRAINING AND SUPPORT FOR TRANSCON LAUNCH

INSTALLATION SCHEDULE

See Exhibit A for the agreed-upon Installation Schedule for the 767-200 Fleet.

Section 1.0 Prototype Installation (Initial 767-200 Installation and Certification)

Aircell and American Airlines will construct a detailed plan for installing and obtaining Supplemental Type Certification for an Aircell broadband system aboard a 767-200 aircraft. Aircell will supply the Installation Kit, installation and certification support, and conduct any testing relating to functional verification and certification. AMERICAN will be responsible for the installation touch labor and any required flight time associated with the certification. It is envisioned that the prototype installation and certification will be conducted during an AMERICAN Planned Maintenance Activity, thereby taking the aircraft out of service for the shortest time period. [***].

Section 1.1 Prototype Installation & Certification – Time Line Agreements

(1) [***]

(2) [***]

(3) [***]

Section 1.2 Prototype Installation & Certification – Compensation

(3) [***]

(4) [***]

Section 2.0 Production Installations (767-200 Aircraft #2 through #15)

On or before August 31, 2007 American Airlines will provide Aircell with its aircraft out-of-service plan for the purposes of production installation (Plan of Record).

Following the Prototype Installation, through mutual planning and coordination efforts American Airlines will install the Aircell broadband system on the remaining 14 767-200 aircraft. The time required to install the equipment, as planned by AMERICAN, is estimated to be [***] per aircraft after the learning curve.

Section 2.1 Production Installations – Time Line Agreements

(1) [***] to the first production installation, Aircell will provide an equipment and resource commitment to support the AMERICAN schedule

(2) [***] to each scheduled installation, Aircell will provide, on-dock at AMERICAN, a complete installation kit (this kit to include all required equipment; e.g. [***]).

Note: Aircell's on-time delivery of non-working ABS Equipment, incomplete Documents or Services shall not, for the purposes of this paragraph, be deemed an on-time delivery.

Note: At Aircell's request and American's sole discretion, changes to on-dock delivery dates for the installation drawing package or installation kit could be accommodated for the Production Aircraft.

(8) AMERICAN to make best effort to complete the production installations of all 767-200 aircraft [***], using nose-to-tail mod line and coordinating installations during other planned maintenance activities.

Section 2.2 Production Installations – Compensation

(9) In the event the delivery of an Aircell installation kit is delayed to AMERICAN [***].

(10) [***]

CONTACT PERSONNEL

Prototype Aircraft

Name	Designation	Contact Number	Hours of work
Michael Kuntz	Manager, Aircraft Operations	630-217-4174	As needed.
Kavil Musikasinthornlata	Manager of Development, Cabin Systems	630-441-0142	As needed.
Matthew Smith	FAA Certification Manager	630-441-6389	As needed.
Tamara Roberts	Program Manager	312.375.0374	

Retrofit Aircraft

Name	Designation	Contact Number	Hours of work
Michael Kuntz	Manager, Aircraft Operations	630-217-4174	As needed.
Kavil Musikasinthornlata	Manager of Development, Cabin Systems	630-441-0142	As needed.
Tamara Roberts	Program Manager	312.375.0374	As needed.

ENGINEERING SERVICES

Aircell will provide an engineering installation drawing package for installation on AA's airplanes consisting of all applicable install drawings and installation work instructions. In addition, Aircell will provide Continued Airworthiness documents which include at a minimum [***]).

The system component placement and design will take the following into consideration:

- Consistent locations relative to all fleet types
- Compliance with applicable FAA regulations and safety practices
  - Ease of installation
  - Maintainability
  - Future system growth & expansion
  - Cost effective

During the design phase Aircell will coordinate the following milestones with AA:

- Aircraft Audits
- ITCM- Initial Technical Coordination Meeting
- PDR- Preliminary Design Review
- CDR- Critical Design Review
- FDR – Final Design Review

Final ABS System configuration of each fleet is pending an audit of each aircraft to be installed. Airline to provide access to the airplanes and all related Technical Publications and OEM aircraft drawings to complete each engineering design package.

Aircell will provide on-site engineering support as provided in Section 8.1.3 of the Agreement.

Certification Services

[***]

EXHIBIT G

MAINTENANCE SERVICES

[***]

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information

Exhibit G-1

EXHIBIT H

SYSTEM DEFINITION DOCUMENTATION (SDD)

System Description

A block diagram showing all major functions of the proposed aircraft system

[***]

EXHIBIT I

**PORTAL, ADVERTISING AND CONTENT MANAGEMENT,
MARKETING ACTIVITIES**

This document sets out the agreement of the parties with respect to: the marketing activities of the parties in connection with the Aircell Broadband Services ("ABS"), advertising and content on the Portal, certain training activities, and certain aspects of customer care. Any initial-capitalized terms that are not defined herein (in Section 11) are defined in the main Agreement. Section references refer to this Exhibit unless sections of the main Agreement are specifically referenced.

1. CERTAIN SUPPLIER OBLIGATIONS. SUBJECT TO THE RESTRICTIONS, LIMITATIONS, TERMS AND CONDITIONS OF THIS DOCUMENT:

1.1 Advertiser and Content Provider Relations. [***].

1.2 Format & Management of Content and Ads. [***].

1.3 Hosting & Infrastructure. [***].

1.4 Reporting. [***].

1.5 Customer Care and Billing. [***].

1.6 Approvals. [***].

1.7 Quarterly Reviews. [***].

1.8 Redesign of the Pages. [***].

2. CERTAIN AMERICAN OBLIGATIONS.

2.1 Advertiser and Content Provider Relations. [***].

2.2 Technical Support. [***].

2.3 Reporting. [***].

2.4 Approvals. [***].

3. DISPLAY OF CONTENT AND ADS.

3.1 Generally. [***].

3.2 Splash Page. This Section applies to the Splash Page only.

(a) American Sections. Subject to the terms of this Exhibit and the rest of the Agreement, [***].

(b) Phase I. During Phase I, no ads will be included in the Portal other than ads [***]. As used in this paragraph the term "ads" does not include unpaid messaging that promotes American's airline or ancillary businesses (such as the AAdvantage® program and the Admirals Club® facilities) or ABS.

(c) Phase II. During Phase II, if the Splash Page continues to include a Marquee Section [***].

(d) Changes to Splash Page. [***].

3.3 Style Guidelines. [***].

3.4 Prohibited Material. [***].

3.5 Wireless Distribution of Content. [***].

3.6 Content Partners. [***].

3.7 Minor Portal Changes. [***].

3.8 Major Portal Changes. [***].

3.9 Mobile Portal. [***].

3.10 Remedies. [***].

4. PORTAL ADVERTISING.

4.1 Ad Space Value. [***].

4.2 Ad Space Allocation. [***].

4.3 Ad Revenue Shares.

(a) Phase I. [***].

(b) Phase II. During Phase II, [***].

4.4 Restricted Advertisers. [***].

4.5 Advertisement Management. [***].

5. DATA OWNERSHIP AND PRIVACY.

5.1 American Data.

(a) [***]

(b) [***].

(c) [***],

(d) [***].

(e) [***].

(f) [***].

5.2 Supplier Data. [***].

5.3 Data Privacy and Data Security. [***].

5.4 Remedies. [***].

6. MARKETING/PR ACTIVITIES.

6.1 Joint Activities. During and after the Transcon launch, American and Supplier will conduct joint marketing or PR activities to promote ABS. [***].

6.2 Independent Activities. [***].

7. TRAINING/FAMILIARIZATION ACTIVITIES.

7.1 Flight attendants and Other American Front Line Employees.

(a) [***].

(b) During the Transcon Launch and the roll-out of ABS to Additional Fleets, [***].

(c) During the Transcon Launch and the roll-out of ABS to Additional Fleets, [***].

8. AMERICAN AND SUPPLIER MARKS.

8.1 Rights in Marks. Supplier acknowledges that the marks shown on Appendix 2A hereto are the property of American and the only marks owned by American that may be used by Supplier in marketing and promoting ABS ("**American Marks**"), and that upon expiration or termination of this Agreement, Supplier will immediately cease use of such marks. American acknowledges that the marks shown on Appendix 2B hereto are the property of Supplier and the only marks owned by Supplier that may be used by American in marketing and promoting ABS, and that upon expiration or termination of this Agreement, American will immediately cease use of such marks. From time to time, American will provide Supplier with limited access to the American Airlines Digital Asset Management System ("**AADAMS**") at the *www.aadams.com* web site to obtain digital renditions of the American Marks. Except as expressly set forth in the Agreement, no right, property, license, permission or interest of any kind in or to the marks owned by either party is or is intended to be given or transferred to or acquired by the other party by the execution, performance or non-performance of this Agreement or any part hereof.

Each party agrees that it shall in no way contest or deny the validity of, or the right or title of the other party in or to its marks, and shall not encourage or assist others, directly or indirectly, to do so, during the lifetime of this Agreement and thereafter. Neither party will take actions that are adverse to the other party's ownership rights in or to its marks, nor shall either party intentionally utilize the other party's marks in any manner that would diminish their value or harm the reputation of the other party. Neither party shall use or register any domain name that is identical to or confusingly similar to any of the other party's marks.

Supplier agrees that it shall not intentionally, without American's prior written approval: (i) alter the American Marks in any way; (ii) use any partial American Marks or fragments thereof; (iii) display the American Marks without the appropriate trademark designation, as specified by American; (iv) superimpose any image or content upon the American Marks; (v) utilize the American Marks in any manner that would diminish their value or harm the reputation of American; or (vi) purchase, use, or register any domain names or keywords or search terms that are identical or similar to, or contain (in whole or in part), any of the American Marks.

8.2 Approval of Promotional Materials; Graphics Standards. Each party shall submit to the other party for review and approval, at least thirty (30) days prior to publication or use, the portion of any and all artwork, scripts, copy, advertising, promotional materials, direct mail, press releases, newsletters or other communications or any other publicity published or distributed by the first party (or at its direction or authorization) that uses any trademark, service mark, logo or trade name of the other party or any of its Affiliates (other than any text-only non-stylized names). All such promotional materials shall follow the style guidelines of the applicable party, including any requirements for disclaimers or tag lines indicating registered trademarks, and each party may modify its style guidelines from time to time in its sole discretion. The party from whom approval is requested will respond to the requesting party within ten (10) business days of the request, and approval with respect to uses of American Marks may be withheld in the sole discretion of American.

9. AMERICAN'S MARKETING CHANNELS.

9.1 Other Marketing. [***].

9.2 American's Promotion of Supplier. [***].

10. DISPUTE RESOLUTION UNDER THIS EXHIBIT. [***].

11. DEFINITIONS.

11.1 "Ad Revenue" [***].

11.2 "Ad Space" [***].

11.3 "Ad Space Value" [***].

11.4 "Advertiser" [***].

11.5 "American Data" [***].

11.6 "American Restricted Advertiser" [***].

11.7 "American Sections" of the Splash Page [***].

11.8 **"Content"** [***].

11.9 **"Duplicative American Restricted Advertiser"** [***].

11.10 **"Internal Portal Page"** means any Portal page excluding the Splash Page.

11.11 **"Marquee Section"** [***].

11.12 **"Media Rate Card"** [***].

11.13 **"Minor Portal Changes"** [***].

11.14 **"O&D"** means a passenger's Itinerary origination city/airport and destination city/airport whether achieved through direct connection or through connecting city(ies)/airport(s).

11.15 **"Phase I"** [***].

11.16 **"Phase II"** means [***].

11.17 **"Portal"** [***].

11.18 **"Prohibited Material"** [***].

11.19 **"Splash Page"** means the first web page of the Portal that a User will see on her laptop when the User connects to the ABS on a Retrofit A/C.

11.20 **"Splash Page Remainder"** means the total area of the Splash Page, with the leftmost tab open (assuming there are tabs on the redesigned Splash Page), less the area allocated for sign-in and registration for ABS.

11.21 **"Supplier Data"** [***].

11.22 **"Supplier Restricted Advertiser"** [***].

11.23 **"Supplier User Data"** [***].

11.24 **"User"** means any person who accesses or uses ABS on a Retrofit NC.

11.25 **"User Data"** [***].

Appendix 1: examples of Portal pages as of the Effective Date

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information
Appendix 1 Page 16

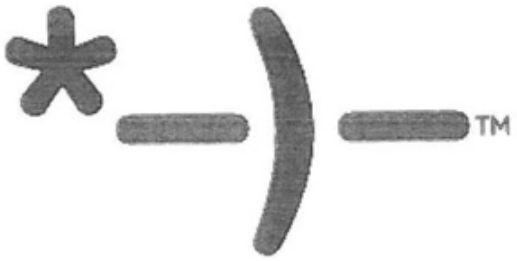
310617 v3/CO

Gogo customer care
sign in
already signed up?
SIGN IN >
gogo on AA
the sky's no longer the limit!
wi-fi with wings℠
Gogo Flight Pass
DETAILS
$12.95
BUY >
See how Gogo Inflight Internet works >
AMERICAN AIRLINES
THE WALL STREET JOURNAL.
TRAVEL GUIDES
Why trust your restaurant recommendation to 23b?
For weather and the best shopping, hotels and dining options in your destination city, trust Frommers.
Select your Frommer's Travel Guide
New York City guide >
Miami guide >
Los Angeles guide >
San Francisco guide >
All other destinations guides >
You'll never forget the first time you made reservations on a plane.
HOTEL
ENTERTAINMENT
DINING
LODGING
SHOPPING
American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information
Appendix 1 Page 17
310617 v3/CO

Gogo customer care
sign in
already signed up?
Username
Password
SIGN IN >
gogo on AA
the sky's no longer the limit!
Wi-fi with wings™
Gogo Flight Pass
DETAILS
$12.95
BUY
See how Gogo inflight internet works >
AMERICAN AIRLINES
THE WALL STREET JOURNAL
TRAVEL & LEISURE
THE WALL STREET JOURNAL.
Below are free articles from The Wall Street Journal.
Want to read more? Purchase a Gogo Pass now for free access to The Wall Street Journal Online. Stay updated with the most trusted business news online.
BUSINESS
• Fed Cuts Rates by Quarter Point
• Stocks Swing on Fed Rate Cut
• Hollywood Writers Launch Strike
TECHNOLOGY
Film and TV writers launched their first strike in nearly 20 years following the breakdown of last-minute talks to stave off a walkout.
• FCC Bars Exclusive Cable Deals in Apartments
• Wireless Firms Target Texters in New Lines
JOURNAL JOURNAL
lawyers Find Ways to Lessen Liff's Impact
landing Another System Dash
Wall Street opens today at 10,000 feet
THE WALL STREET JOURNAL.
Purchase a Gogo Pass and receive complimentary access to the Wall Street Journal.
©2008 Aircell LLC Gogo is a product of Aircell
sign up for Gogo Offers & News
contact Gogo
company info
site map
terms & conditions
privacy policy
American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information
Appendix 1 Page 18
310617 v3/CO

Appendix 2A: American Marks

Appendix 2B: Supplier Marks




gogo
Inflight
Internet


gogo
Inflight
Internet

EXHIBIT J

IFE Connectivity Service Level Agreement

MODIFIED TO REFLECT AMENDMENT #1 TO THE AGREEMENT

Prepared by
American Airlines, Inc.

Department
[Department Name]

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information

Exhibit J-6

Table of Contents

Executive Summary

Introduction

This service level agreement (SLA) defines the services, primary jobs, responsibilities of each party, the methods of delivery of support services, the process for problem resolution, the limitations of service support levels and the anticipated frequency and measurements (metrics) that will be applied for system performance for the 767-200 Transcon Launch and Additional Fleets. All terms detailed in this Service Level Agreement are minimum service level requirements that were identified for the 767-200 Transcon Launch and apply to Additional Fleets. The measurements determine performance and reliability impact (i.e. whether performance meets, exceeds or falls shorts of system expectations). [***]

Service Objectives

Aircell will provide an end-to-end/turnkey hardware and service solution allowing airline passengers and crew to use personal electronics devices (PC, PDA) to conduct data communications in exactly the same manner as they do on the ground. Aircell will be responsible for the overall architecture and all business/service relationships to ensure seamless operation. The product name that we have initially assigned is Aircell Broadband Service – ABS. Think of it as an airborne Hotspot and Roaming Site, bringing connectivity to virtually all of the traveling public. It should also be pointed out that Aircell intends to design ABS with feature modularity, allowing an airline to offer just those applications they deem most important to their customer base.

Aircell's goal is to support the same communications standards most demanded on the ground. The ABS aircraft architecture will provide wireless cabin access for virtually all personal electronic devices that are enabled for wireless operation. Applications shall include email, instant messaging, VPN, Internet, and cached Intranet. Wireless distribution of content to a passenger device will follow at a later date and a separate Service Level Agreement will be drafted to address the specifications of that service and network. The following wireless protocols are to be supported: 802.11 a/b/g data Aircell's design is intended to be modular in nature, so that as new wireless standards gain popularity on the ground, they can be incorporated into the cabin architecture without having to replace the entire system.

Objectives

The purpose of this document is to establish an agreement between American Airlines and Aircell regarding the Aircell Broadband System (ABS). It is Aircell's responsibility to provide the service and satisfy the objectives defined in this document.

Scope

The scope of services is defined in this document regarding the in-service technical environment, support structure, system performance and the activities required to ensure that the service remains secure, reliable and operational as committed to under the Service Commitments section of the SLA.

Services

Life Cycle Support

Aircell provides support services to AA and its customers throughout a “lifecycle”, which consists of the following phases:

- Consultation Phase: The phase commences with AA completing the service request forms with appropriate signatures and submitting to Aircell to verify that the service is available and that Aircell is prepared to begin installation.
- Installation Phase: The phase is completed once the equipment is installed on the defined aircraft and the service has been successfully tested providing AA a complete turnkey solution. Upon completion of the installation phase the service can be declared operational.
- Operational Phase: Operational support of the service includes production support and maintenance:
  - Maintenance includes ongoing upgrades and patches and fixes of the solution components during the life cycles of the service.
  - Commercial aspect – Aircell has to track the take rate of the passengers on board. AA will want to monitor the take rate as well
  - Production support of the solution includes problem management that identifies and addresses the following categories:
    - Outage: any defined service is not available during the agreed upon operational period(s).
    - Problem event: a non-outage related issue that may be reported as an error or misbehavior of an expected service.

This document will focus only on the support Aircell will provide AA throughout “operational phase” of the lifecycle.

Services Provided by Aircell

Operational Phase

– **Production Support Services**

[***]

[***]

- Maintenance Services

[***]

[***]

[***]

Operational Phase

– **Production Support Services**

[***]

- **Maintenance Services**

[***]

Service Commitments

General Requirements

[***].

Reporting

[***].

[***].

Spares Inventory

[***].

Security

Customer Security is a paramount concern to American Airlines. This includes identity and data protection. [***].

Availability Measure

Segmentation of a flight (i.e. Phases of flight)-

[***]

Services	System/Service Availability[1]	SLA Guarantee[1]
[***]	[***]	[***]

[***]

Levels of Service Commitment

Note 1: Minimum system availability will be measured against the factors described below .

[***]

[***]

Requirements	Description	Specifications
[***]	[***]	[***]

Service Availability Measurement

For explanatory purposes Attachment 1 provides some examples of how availability will be measured and the impact of unavailability on customer experience.

Mitigating Service Unavailability Impact

[***]

AA Revenue Protection

[***].

Tracking of Availability Measures

[***].

Problem Management

Problem Management Definitions

Services	Description	Specifications
[***]	[***]	[***]

Reactive Service Level Severity Definitions

Priority is initially assigned by the Aircell contact center and confirmed by the responsible Aircell support staff after an assessment of the problem information. Should AA dispute the priority assigned to the problem, appropriate escalation procedures will be followed.

Airborne Technical Support Severity Definitions

Description	Definitions
[***]	[***]

Terrestrial Technical Support Severity Definitions

Description	Definitions
[***]	[***]

Passenger Support Severity Definitions

Description	Definitions
[***]	[***]

Problem Resolution Control: Aircraft

[***]

Severity	Call Acknowledgement/ Notification	Support Team Response Recommendation/ Resolution Update[1]
[***]	[***]	[***]

[1] Response times are calculated from the time of notification

[***]

Problem Resolution Control: Terrestrial Network

The problem resolution service level will apply to all system components that do not reside on the aircraft.

[***]

Severity	Call Acknowledgement/ Notification	Support Team Response Resolution Update
[***]	[***]	[***]

[***]

Site Category	Number of Sites	Expected MDT
[***]	[***]	[***]

[***]

Resolution: Customer Care

[***]

Call Type	Resolution	Time (Within)
Billing	[***]	[***]
Customer Service (Inquiries, profile, account updates etc)	[***]	[***]
Service Issues (Technical Nature)	[***]	[***]

Passenger Type	Method of Communication
New and/or Existing Customer (Airborne)	[***]
New and/or Existing Customer(On ground)	[***]
Airline Partner	[***]

IN WITNESS WHEREOF, in addition to the signatures executing the Terms Sheet, the undersigned hereby approves this Service Level Agreement:

AMERICAN AIRLINES

Signature Date

Lauri Curtis

Name

Vice President of Marketing

Title

Signature Date

John MacLean

Name

Vice President of Purchasing

Title

AIRCELL LLC

Signature Date

Jack Blumenstein

Name

President and CEO

Title

Attachment 1
American Airlines-Aircell
Service Level Agreement
Examples of Network Unavailability Scenarios

Definitions:

[***]

Unavailability of Network based on combinations of Aircraft and Terrestrial Networks availability:

[***]

Examples of time of Network unavailability:

[***]

EXHIBIT K

USAGE REPORTS REQUIREMENTS

System Reporting

[***]

Airborne System Support Reporting

[***]

Terrestrial System Support Reporting

[***]

Passenger Support Reporting (Customer Care)
[***]

Financial/Revenue Management
[***]

Maintenance
[***]

Marketing/ Portal
[***]

EXHIBIT L

WIRELESS DISTRIBUTION OF CONTENT

This Exhibit, which is incorporated by reference into and made a part of the Agreement, relates to Aircell's development and implementation of an application, Wireless Distribution of Content (WDC) by which video content will be wirelessly distributed to passengers on Retrofit A/C who are equipped with Wi-Fi enabled laptop computers. [***] For the avoidance of doubt, except where the context of the Agreement otherwise requires, the WDC equipment, software and services described herein shall constitute ABS Equipment, Software and Aircell Broadband Services, respectively, as such terms are defined in the Agreement. In the event of any inconsistency between this Exhibit L and any other provision of the Agreement, this Exhibit shall control. Section references refer to sections of this Exhibit unless sections of the body of the Agreement are specifically referenced.

1. Definitions

The definitions below shall apply to the following terms as used herein:

1.1. **"Content Provider"** means the third party from which Aircell purchases, leases, licenses or otherwise acquires the rights to provide Video Content, and may include studios, networks and other content originators as well as aggregators (if Aircell after consulting with American reasonably believes that purchasing from an aggregator would increase Net Revenues) or other distributors.

1.2. **"Pass-Through Costs,"** means [***].

1.2.1. **"Content Licensing Costs,"** with [***].

1.2.2. **"Encoding Costs,"** with [***].

1.2.3. **"Ground Delivery Costs,"** with [***].

1.2.4. **"Content Loading Costs"** means [***].

1.2.5. **"Transaction Costs"** means [***].

1.3. **"Other Costs"** means, [***].

1.3.1. **"Operations Management Costs"** means [***].

1.3.2. **"Preparation Costs"** means, [***].

1.4. **"Total Operating Costs"** means, [***].

1.5. **"Net Revenue"** means, for any measurement period, Total Revenue less Total Operating Costs, [***].

1.6. **"Total Revenue"** means, for any measurement period, [***].

1.7. **"Customer Worthy"** means fully functional and certified WDC software and hardware that is free from any Severity 1 & 2 Defects.

1.8. **"Severity 1 Defect"** means a software failure that blocks the customer from utilizing the service.

1.9. **"Severity 2 Defect"** means a software failure that impacts revenue even though major functionality may be working.

1.10. **"Severity 3 Defect"** means a software issue that has a minor impact on the quality and appeal of the service.

1.11. **"Severity 4 Defect"** means a software issue that is generally cosmetic with minimal if any impact on the service, revenue or business image.

1.12. **"Video Content"** means movies, television shows and other digitized video (including promotional videos) made available to Users via WDC.

1.13. **"Wireless Distribution of Content"**, or "**WDC**" (aka "GoGo Video") is the Aircell product that delivers Video Content to Users on Retrofit A/C.

1.14. **"WDC Advertising Revenue"** means the total amount of revenue [***].

2. Scope

The parties intend that Aircell provide WDC on Retrofit A/C as more fully set forth below.

3. Term and Termination

3.1. Subject to American's right of early termination as set forth below in this section, the term of WDC service will directly correspond to the term of the Agreement as set forth in Article 13 of the Agreement.

3.2. American will monitor in-service feedback from its employees regarding the operation of WDC on Retrofit A/C. [***].

3.3. [***].

4. Aircell Obligations

4.1. Supplier will be responsible for all development and certification (including Supplemental Type Certification or such other certification as is required by the FAA) and all associated drawings and paperwork, associated with WDC. Supplier will provision the content loader on each Retrofit A/C and will provide on-going maintenance in accordance with **Exhibit G** to the Agreement. [***]. Except as provided in the first paragraph of this Exhibit with respect to handheld devices, Aircell undertakes no obligation to upgrade the WDC software unless and to the extent such upgrade is required to maintain required performance levels under this Exhibit or Exhibit J. Aircell will create and deploy the AA content library.

5. Installation and Testing

5.1. Aircell will deliver what it deems to be Customer Worthy software by March 31, 2011 and will deliver the easy update content loader and the service bulletin by May 31, 2011. [***].

5.2. [***].

5.3. [***].

6. [***].

7. WDC Revenue Share

7.1. [***].

8. Cost to American

8.1. [***].

9. Advertising

9.1. Advertising, and other similar matters, related to WDC will be [***].

10. Operating Costs

[***].

11. Marketing

11.1. Any joint marketing activities related to WDC (together with ABS) will be conducted in accordance with Section 6.1 of **Exhibit I** to the Agreement; provided, however that the [***].

12. SLA

12.1. Service Level Requirements or WDC will be subject to **Exhibit J** to the Agreement. [***].

Availability Measure

Services	System/Service Availability[1]	SLA Guarantee[1]
[***]	[***]	[***]

[1] Airline Policy or Government Regulations may impose restrictions limiting system use in certain situations. The reference ground level for AGL calculation is the altitude of the highest point on ground within a 250 mile radius circle from the position of the aircraft; however the Aircell network is designed to have coverage about 10K AGL at every point subject to possible shadowing from higher points as previously mentioned

Levels of Commitment

Requirements	Description	Specifications
[***]	[***]	[***]

13. Content

13.1. American [***] and reserves the right at its sole discretion to refuse to exhibit any title that it finds offensive to its customers or otherwise unacceptable. Aircell will submit a list of proposed titles for American's review and approval at least 10 days prior to commencement of content refresh and American will approve or reject such titles within 5 days of submission. Any title that American does not reject within such 5 day period will be deemed approved.

13.2. Aircell or American will be responsible for loading refreshed content on each Retrofit A/C [***]. This number will be revisited after one year of operation of the WDC service and annually thereafter.

13.3. [***].

13.4. Aircell will determine the pricing for WDC service [***].

Subject to availability of sufficient capacity, American and Aircell each reserve the right to provide, at their own cost and expense, a limited number of videos solely to promote its core product, i.e. AA Milestones, Aircell Gogo, etc., for uploading to the WDC server subject to American's approval under Section 13.1 (Content). Promotional videos must coincide with content refresh to aircraft or will be subjected to additional loading costs.

14. American Launch Priority.

[***].

EXHIBIT M

Example of Calculation of Revenue Share from Multi-Airline Products

[***]

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information

Exhibit M-1

EXHIBIT N

SERVICES AND PRICING FOR AMERICAN OPERATIONAL USE

Aircell has granted American access to Aircell's Air to Ground Link (the "ATG Link") for the purposes of enabling other airline business applications (as defined below). Aircell will work with American to define and implement such other airline business applications as American desires to enable over the ATG Link. As used herein, the term "other airline business applications" means applications used by American's flight crew, cabin crew and ground crew that require ATG connectivity, and shall not include any passenger-facing application. In the event that American notifies Aircell that it wishes to use the ATG Link for a defined application, American and Aircell will negotiate in good faith and reflect in an amendment to the Agreement (i) the desired operating and performance characteristics of the application, (ii) the integration services to be provided by Aircell in connection with the application and the rates to be charged by Aircell for such services, (iii) the rates to be charged by Aircell for data transfer services and (iv) such other terms specific to such applications as the parties agree upon. [***] In the event that Aircell and American cannot agree on the amendment to Section 13.5.2, the parties will follow the escalation process outlined in Section 20.5 of the Agreement. If the parties are unable to resolve the dispute within 30 days of beginning the escalation process, the parties will mediate the dispute before a neutral mediator.

Aircell will work with American and/or third party providers in good faith to integrate and test, to the extent necessary, other airline business applications on a timely basis and to provide such security as American reasonably requests; provided, however, that Aircell will not be obligated to increase the certification level of the System. If the normal operation of the ABS Equipment would be negatively affected by the integration of any other airline business application, American and Aircell will work together in good faith to ensure that such conflicts are resolved.

[***]

In the event that Aircell or AA enter into a contract with a 3rd party for other airline business applications, the contracting party will ensure the 3rd party is in compliance with all applicable laws, rules, regulations and certifications. Aircell's and American's obligations with regard to compliance are outlined in Sections 8.5 and 9.3, respectively, of this Agreement.

The Air to Ground link is available for use only over the continental United States, and will expand to other geographic areas if and as Aircell agrees to expand ABS to other geographic areas. [***].

Current Pricing for VoIP

American's use of the ATG Link for Voice Services

[***]

EXHIBIT O

FLY-ALONG COST ASSUMPTIONS

ILLEGIBLE

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information

Exhibit O-1

EXHIBIT P

EXAMPLE OF DECS REPORT

RGA 339/F15«
RGA 339/F15

N339 76ER MEL		FUTURE	ROUTING	20/1814Z
FLT –FROM–	–TO–	MTC	-OFF/ON–	TIME TST CYCL
18/19 SFO 2316 JFK 0658 339XX 2316 0658		4.42 78479.08		15748
3/20 JFK 1215 LAX 1419 339		1215		78484.41 15749
180/20 LAX 1616 JFK 0018 339XX				78490.11 15750
133/21 JFK 1616 LAX 1922 XX				78496.46 15751
34/24 LAX 0802 JFK 1610				78502.21 15752
177/24 JFK 1801 SFO 2055				78508.56 15753
18/24 SFO 2218 JFK 0613				78514.21 15754
33/25 JFK 0806 LAX 1025				78520.11 15755
4/25 LAX 1224 JFK 2032 XX				78525.51 15756
19/26 JFK 1121 LAX 1335				78531.36 15757
22/26 LAX 1518 JFK 2323 XX				78537.11 15758
1/27 JFK 0933 LAX 1145				78543.06 15759
32/27 LAX 1335 JFK 2144 XX				78548.46 15760
1165/28 JFK 0910 MIA 1143				78551.56 15761
1510/28 MIA 1258 JFK 1530				78554.56 15762
181/28 JFK 1728 LAX 2024				78561.31 15763
10/28 LAX 2150 JFK 0541				78566.51 15764
686/29 JFK 0748 BDA 1029				78569.01 15765
415/29 BDA 1234 JFK 1321				78571.11 15766
117/29 JFK 1506 LAX 1807 XX				78577.41 15767

Schedule 1 – Third Party Infringement Claims

Aircell is aware of the following claim(s):

Claim(s)

[***]
[***]

EXHIBIT Q

To be inserted

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information

Exhibit P-3

EXHIBIT R

INSTALLATION SCHEDULE, TRAINING AND SUPPORT FOR THE 757 FLEET

INSTALLATION SCHEDULE

See Exhibit R-1 for the agreed-upon Installation Schedule for the 757 Fleet.

Section 1.0 Prototype Installation (757 Fleet Installation and Certification)

Aircell will provide to American, within 30 days of the Restatement #2 Effective Date, a detailed plan and schedule for installing and obtaining Supplemental Type Certification (STC) for the ABS System aboard a 757 Fleet aircraft. [***].

Section 1.1. Certification

Aircell will obtain and provide to American a STC, within [***] of 757 prototype aircraft completion, for the ABS System aboard a 757 Fleet aircraft.

Section 1.3 Prototype Installation & Certification – Time Line Agreements

Aircell will provide to American, within a time frame mutually agreed upon at the ITCM, a complete installation drawing package, including drawings, documents and instructions that will support the AMERICAN ECO process. Any revisions to such package will be provided to American as they become available.

Section 1.4 Prototype Installation & Certification – Compensation

[***] to the scheduled installation, Aircell will provide, on-dock at American, a complete installation [***].

ENGINEERING SERVICES

Aircell will provide an engineering installation drawing package for installation on American's airplanes consisting of all applicable install drawings and installation work instructions. In addition, Aircell will provide Continued Airworthiness documents which include at a minimum [***].

The System component placement and design will take the following into consideration:

- Consistency of locations relative to all fleet types
- Compliance with applicable FAA regulations and safety practices
- Ease of installation
- Maintainability
- Future system growth & expansion
- Cost effectiveness

During the design phase Aircell will coordinate the following milestones with American:

- Aircraft Audits
- ITCM- Initial Technical Coordination Meeting
- PDR- Preliminary Design Review
- CDR- Critical Design Review
- FDR – Final Design Review

Final ABS System configuration is pending an audit of each the 757 fleet to be installed. Airline will provide access to the airplanes and all related technical publications and OEM aircraft drawings to complete each engineering design package.

Aircell will provide on-site engineering support as provided in Section 8.1.3 of the Agreement.

[***]

EXHIBIT R-1

757 FLEET LAUNCH PRELIMINARY CALENDAR

The Schedule details below dates, expected aircraft quantities and tail numbers. This information is preliminary and is therefore subject to change at American's sole discretion.

Type	AC#	Fleet	Subfleet	Dock	Span	Start	Finish
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

EXHIBIT S

CONTENT FILTERING SERVICE

Content Filtering. Aircell has developed and will implement and maintain a content filtering system designed to block pornographic and offensive websites from being accessed via the Aircell Broadband Service by American's passengers. The content filtering system has been built and will be maintained to perform as set forth in Section 5 below, as revised from time to time by mutual agreement of the Parties (the "**Content Filtering Specifications**"). Aircell will launch the content filtering system on American's Retrofit A/C on or before November 1, 2010 (the "**CF Effective Date**").

Disclaimers. Notwithstanding anything to the contrary contained herein or in the Content Filtering Specifications, Aircell shall not be required to block any URL if Aircell reasonably believes that such blocking could cause Aircell to violate the Communications Act of 1934, any rule or regulation promulgated by the Federal Communications Commission or any other law, rule or regulation applicable to Aircell or its business. American agrees and acknowledges that American is solely responsible for determining what websites will be blocked and for communicating to Aircell any request for configuration changes intended to block or permit access to particular websites at a future date. Aircell is unable to guarantee that the system will block all content that American deems inappropriate.

Fees. [***].

Term. The terms described in this Exhibit will take effect on the [***]**.**

Content Filtering Specifications.

Overview

Aircell will provide a commercial grade content filtering system designed to block unlimited pornographic or other content deemed offensive by American. The system implements policies to control web activity and the applications that are often used to circumvent traditional security engines.

[***]

Blocked Message

When a Gogo user attempts to view a pornographic website, the browser will present a screen that reads: "The page you are attempting to view is not available. It is the policy of the airline to prevent potentially inappropriate content from being displayed on your computer or device. Thank you for your understanding."

URL Activity Reporting

Aircell will provide to American, on a monthly basis, a report that shows the websites that were blocked most frequently during the month and details the number of times a given website was blocked.

Websites and content on the Internet are constantly changing. As websites and content are added or removed, the solution will automatically update on a daily basis to reflect such changes. Furthermore, as the Internet changes American may wish to modify its overall blocking strategy or approach. The Aircell system is highly flexible and can be configured in many different ways to reflect changes in the Internet and/or American's policies and determinations regarding what constitutes inappropriate content. Aircell will continually monitor the effectiveness of the configuration and consult with American in an attempt to optimize both the effectiveness of the filtering and the Gogo user experience.

Conditions requested by American and agreed to by Aircell

American chooses to continue to block for pornography and nudity.

American will confirm to Aircell American's current "do not block" list, and will expect Aircell to adhere to it following migration to the new content filtering system. If Aircell's service does block a site on AA's do not block list, AA expect Aircell to rectify the situation quickly, and AA reserve the right to alter the do not block list at any time for no charge.

[***]

Schedule 1

Aircell is aware of the following claim(s):

Claim(s)

[***]

American Airlines, Inc. and Aircell LLC
Confidential and Proprietary Information

Exhibit P-9

QUALCOMM Incorporated
Development, Test, and Deployment Products Standard Terms and Conditions

This Agreement is entered into by and between QUALCOMM Incorporated ("QUALCOMM") and AirCell LLC, having an office located at 1250 North Arlington Heights Road, Ste. 500, Itasca, IL 60143 ("Buyer") with respect to the following facts:

1. DEFINITIONS.

"**Development Tools**" means either hardware or software tools used in the development and testing of wireless communications equipment that incorporates a QUALCOMM integrated circuit, including any updates, documentation or information that may, at QUALCOMM's sole discretion, be provided to Buyer. Software tools may be provided in object code or source code, at QUALCOMM's sole discretion.

"**Equipment**" means QUALCOMM's test and deployment equipment, including but not limited to, form factor accurate test mobiles, described in a purchase order accepted by QUALCOMM as specified below and any accompanying documentation, such as technical and instruction manuals.

"**Product**" means Equipment, Software, and Development Tools.

"**Software**" means any software, including any updates, documentation or information that may, at QUALCOMM's sole discretion, be provided to Buyer.

2. AGREEMENT; DELIVERY; PRICE; PAYMENT TERMS. These terms and conditions apply to all Products and each and every purchase order ("P.O.") issued to QUALCOMM by Buyer. QUALCOMM is not obligated to accept any P.O. from Buyer. Subject to the following sentence, each P.O. accepted by QUALCOMM and these Terms and Conditions shall constitute the entire agreement (the "Agreement") between Buyer and QUALCOMM with respect to the purchase, sale and delivery of the Products described in such P.O. Any terms or conditions stated by Buyer in any P.O. or otherwise that are different from, or in addition to, these Terms and Conditions shall be of no force and effect, and no course of dealing, usage of trade, or course of performance shall be relevant to explain or modify any term expressed in the Agreement. QUALCOMM expressly rejects additional or different terms. All deliveries of Product shall be made FOB QUALCOMM's San Diego facility (the "Delivery Point") by a carrier selected by QUALCOMM, and Buyer shall pay all shipping charges directly to carrier. In the event QUALCOMM pays any shipping, freight, or insurance charges on behalf of Buyer, Buyer shall promptly reimburse QUALCOMM for all such charges. Title to, and risk of loss or damage of, the Equipment shall pass to Buyer upon QUALCOMM's delivery of the Product to the carrier at the Delivery Point. Buyer shall inspect and either accept or reject all items of Product within fifteen (15) days after the date of shipment. If Buyer fails to effectively reject any Product in a written document delivered to QUALCOMM within such 15-day period, Buyer shall be deemed conclusively to have accepted such Product. The price of Product delivered shall be as mutually agreed upon by the parties. All amounts are stated in, and shall be paid in, U.S. dollars. The prices do not include any applicable sales, use, excise and/or withholding taxes; customs duties; fees; freight, insurance and delivery charges; or any other taxes, fees, or charges. All taxes, fees and other charges imposed in connection with the sale and delivery of the Product shall be paid directly by Buyer. In the event QUALCOMM pays any such fees, taxes, or charges, Buyer shall promptly reimburse QUALCOMM therefor. With respect to each Product P.O. accepted by QUALCOMM, Buyer shall not less than thirty (30) days prior to scheduled delivery of Products, render payment in full to QUALCOMM via check or wire transfer. If Buyer fails to either timely remit payment via check or wire transfer, then QUALCOMM shall be entitled to treat any P.O. (for which such check or wire transfer is related) as canceled by Buyer. Buyer shall pay to QUALCOMM a late charge on any past due amounts at the rate of one and one-half percent (1.5%) per month or part thereof or the maximum amount permitted by law, whichever is less. Buyer hereby waives any existing and future claims and offsets against payments due for the purchase of any and all Product and agrees to pay all amounts due regardless of any such offset or claim.

3. RIGHT TO USE.

(a) Software License. QUALCOMM hereby grants to Buyer a non-exclusive, non-transferable, revocable license under QUALCOMM's copyrights in the Software to use the Software supplied hereunder by QUALCOMM solely in conjunction with the Development Tools and Equipment provided hereunder and subject to the terms and conditions of this Agreement. Buyer warrants and agrees that Buyer shall not, without the prior written consent of QUALCOMM, (i) alter, modify, translate, or adapt any Software or create any derivative works based thereon; (ii) except as necessary to install or load the Software in the Equipment, copy any Software; (iii) assign, sublicense, resell or otherwise transfer the Software in whole or in part to any unauthorized third party; (iv) transfer Software except in conjunction with the transfer of the product in which the Software is imbedded or contained; (v) use the Software except as specifically contemplated in this Agreement; (vi) decompile, reverse assemble, translate or otherwise reduce the Software or any portion thereof to human-perceivable form; (vii) combine or merge any portion of the Software with any other software; (viii) disclose the Software to any third party; or (ix) incorporate, link, distribute or use (1) the Software, or (2) any software, products, documentation, content or other materials developed using the Software, with any code or software licensed under the GNU General Public License ("GPL"), LGPL, Mozilla, or any other open source license, in any manner that could cause or could be interpreted or asserted to cause the Software or other QUALCOMM software (or any modifications thereto) to become subject to the terms of the GPI., LGPL, Mozilla or such other open source license. The entire right, title and interest in the Software shall remain with QUALCOMM, and Buyer shall not remove any copyright notices or other legends from the Software or any accompanying documentation.

(b) Software Maintenance. Software maintenance is limited to only QUALCOMM's (i) CDMA Air Interface Tester (CAIT™), (ii) QXDM PRO, and (iii) Friendly Viewer™ Software products. Subject to Buyer's payment of the applicable annual maintenance fees, QUALCOMM will provide to Buyer any standard commercial updates to the Software, when and if such updates are made available to similarly situated customers of QUALCOMM, in the form of bug fixes and/or minor functional updates to the Software and accompanying documentation ("Updates"). The annual maintenance fee for the twelve (12) month period relating to the applicable Product shall be invoiced to Buyer. Once the Buyer stops paying the applicable maintenance fees for such Product, it shall have no rights to Software Updates for such Product. QUALCOMM reserves the option to require the payment of an additional commercially reasonable fee if additional features or improved performance are made available to Buyer ("Upgrades"). Upgrades, when delivered to Buyer, shall become part of the Software and shall be subject to all of the terms of this Agreement. Buyer understands and agrees that increases in the annual maintenance fees may occur in years subsequent to the first year and QUALCOMM will provide Buyer with reasonable notice in advance of any such increase. QUALCOMM may at any time elect to discontinue providing Updates for any Software, effective upon expiration of the applicable annual maintenance term, by providing written notice to Buyer. Software maintenance for each Product is subject to written quotation by QUALCOMM.

(c) Development Tools. For any and all Development Tools provided by QUALCOMM to Buyer under this Agreement, Buyer may use the Development Tools solely in connection with the testing and development of wireless communications equipment that incorporates a QUALCOMM integrated circuit. As reasonably necessary to use the Development Tools in accordance with the preceding sentence in this Section, Buyer shall have the right to make a reasonable number of copies of the Development Tools for use solely by employees of Buyer for purposes consistent herewith and for archival purposes. Buyer shall have no right to alter, modify, translate or adapt the Development Tools or create derivative works thereof, nor shall Buyer have the right to sublicense, transfer or otherwise provide the Development Tools to any third party. Except as expressly permitted above, Buyer shall not use the Development Tools for any other purpose.

(d) Equipment. To the extent Buyer purchases any Equipment, QUALCOMM hereby grants Buyer the right to use the Equipment solely for internal testing, and Buyer shall have no right to use the Equipment for demonstration purposes without QUALCOMM's prior written consent. Buyer agrees not to use the Equipment for the purpose of developing data collection or diagnostic products. In addition to the Software restrictions stated in this Agreement, Buyer shall not assign, sublicense, resell or otherwise transfer QUALCOMM's Equipment, or any Software contained therein to any third party, without the prior written authorization of QUALCOMM.

While Buyer is purchasing a license to use the Software, nothing herein shall be construed as the sale of any Software to Buyer. Nothing herein shall be deemed to grant any right to Buyer under any of QUALCOMM's patents. This Agreement shall not modify or abrogate Buyer's obligations under any other agreement with QUALCOMM. Neither the supply of any Development Tools, the sale of any Equipment, or the license of any Software, nor any provision of this Agreement shall be construed to grant to Buyer either expressly, by implication or by way of estoppel, any license under any patents or other intellectual property rights of QUALCOMM covering or relating to any other product or invention, or any combination of any Product with any other product.

4. WARRANTIES. QUALCOMM warrants only to Buyer that for a period of ninety (90) days after delivery to the Delivery Point that (i) the Products (excluding the Software) will be free from material defects in workmanship and materials under normal use, and (ii) the Software will be free from programming errors which significantly impair its operation for the purposes expressly contemplated in this Agreement. Buyer's sole remedy for breach of the above warranty shall be the return of the allegedly defective item to QUALCOMM at Buyer's sole expense and, if QUALCOMM determines that such item is defective and covered by warranty, QUALCOMM shall repair or replace, at QUALCOMM's sole option, the item or, if QUALCOMM determines that it is unable to repair or replace such item, QUALCOMM shall refund to Buyer the price paid therefor. Notwithstanding the foregoing, no warranty, expressed or implied, shall extend to any Product which has been subjected to misuse, neglect, accident, or improper storage or installation or which has been repaired, modified, or altered by anyone other than QUALCOMM or in a manner not otherwise authorized by QUALCOMM. QUALCOMM does not warrant and shall not be responsible for any design, specification, drawing or other data or information furnished by it to Buyer hereunder. QUALCOMM MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR AGAINST INFRINGEMENT, OR ANY EXPRESS OR IMPLIED WARRANTY ARISING OUT OF TRADE USAGE OR OUT OF A COURSE OF DEALING OR COURSE OF PERFORMANCE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY QUALCOMM OR ITS AUTHORIZED REPRESENTATIVES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF ANY WARRANTY PROVIDED HEREIN. Buyer hereby acknowledges and agrees that it has not relied on any representations or warranties other than those expressly set forth herein.

5. TERMINATION. This Agreement shall become effective as of the Effective Date and shall remain in effect for three (3) years thereafter and shall apply to all P.O.s for the purchase, sale and delivery of Products during this period, unless sooner terminated by either party upon thirty (30) days written notice. Thereafter, this Agreement shall be automatically extended on a year-to-year basis unless terminated by either party upon thirty (30) days prior written notice. QUALCOMM shall have the right to terminate this Agreement and any licenses granted hereunder and/or to cancel or hold any and/or all orders placed by Buyer and any and/or all shipments of Product, regardless of any prior confirmation or acceptance by QUALCOMM, if: (a) Buyer is or becomes insolvent; (b) Buyer makes an assignment for the benefit of creditors, or a receiver is appointed to take charge of all or any part of Buyer's assets or business; (c) Buyer is the subject of a bankruptcy or reorganization proceeding, whether voluntary or involuntary; or (d) Buyer fails to timely perform any of its obligations under the Agreement and such failure is not cured within ten (10) days after QUALCOMM gives written notice to Buyer of such failure. Product maintenance shall cease immediately upon termination of this Agreement regardless of any maintenance fees paid, and Buyer is not entitled to refund of any maintenance fees.

6. LIMITATION OF LIABILITY. IN NO EVENT SHALL QUALCOMM BE LIABLE TO BUYER FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOST PROFITS, LOST SAVINGS, OR OTHER INCIDENTAL DAMAGES, ARISING OUT OF THE USE OR INABILITY TO USE, OR THE DELIVERY OR FAILURE TO DELIVER., ANY PRODUCT, EVEN IF QUALCOMM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATION OF LIABILITY SHALL REMAIN IN FULL FORCE AND EFFECT REGARDLESS OF WHETHER BUYER'S REMEDIES HEREUNDER

ARE DETERMINED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. FURTHER, THE ENTIRE LIABILITY OF QUALCOMM, AND THE SOLE AND EXCLUSIVE REMEDY OF BUYER, FOR ANY CLAIM OR CAUSE OF ACTION ARISING HEREUNDER (WHETHER IN CONTRACT, TORT, OR OTHERWISE) SHALL NOT EXCEED THE GREATER OF THE PURCHASE PRICE PAID FOR THE PRODUCT WHICH IS THE SUBJECT OF SUCH CLAIM OR CAUSE OF ACTION OR ONE THOUSAND DOLLARS ($1,000).

7. CONFIDENTIALITY. Buyer acknowledges that the Products, all technical documentation delivered to Buyer by QUALCOMM hereunder, and all other information relating to the design, development, configuration, use, installation, operation and maintenance of the Products constitute confidential and proprietary information of QUALCOMM (referred to as “Confidential Information”). Buyer shall not duplicate, use other than in accordance with this Agreement, or disclose to any third person any Confidential Information without the prior written consent of QUALCOMM. Buyer shall have no right to sublicense, transfer or sell QUALCOMM Confidential Information to any third party. Moreover, such Confidential Information shall be used by Buyer only for the purpose of performing under this Agreement. Information delivered to Buyer orally or in tangible form and without regard to whether it has been identified or marked as confidential or otherwise, shall be subject to this paragraph.

8. EXPORT COMPLIANCE ASSURANCE. Buyer acknowledges that all products, proprietary data, know-how, software or other data or information (herein referred to as “Items”) obtained from QUALCOMM are subject to the United States (U.S.) government export control laws, which may restrict or prohibit their export, re-export, or transfer. Buyer, therefore, agrees that neither it nor its subsidiaries or affiliates will directly or indirectly export, re-export, transfer, or release, or cause to be exported or re-exported (herein referred to as “export”), any such Items or any direct Item thereof to any destination or entity prohibited or restricted under U.S. law including but not limited to U.S. government embargoed or sanctioned countries or entities. unless it shall obtain prior to export an authorization from the applicable U.S. government agency (either in writing or as provided by applicable regulation). The U.S. government currently maintains embargoes or sanctions against the following countries: Cuba, Iran, Iraq, North Korea, Sudan, and Syria. This list is amended by the U.S. government from time to time and all such amendments shall be applicable to this Agreement. Buyer further agrees that no Items received from QUALCOMM will be directly or indirectly employed in or transferred to missile technology, sensitive nuclear, or chemical biological weapons end uses or in any manner transferred to any party for any such end use.

U.S. government restrictions are implemented principally through the Export Administration Regulations (“EAR”, 15 C.F.R. §§ 730 et seq., available at http://www.bis.doc.gov/) administered by Department of Commerce, Bureau of Industry and Security and the Foreign Asset Control Regulations administered by the Department of Treasury, Office of Foreign Assets Control (“OFAC”, 30 C.F.R. Part 500 et. seq., available at http://www.treas.gov/offices/enforcement/ofac/).

Furthermore, Buyer agrees to comply with all trade laws applicable in other country jurisdictions as they pertain to import, use, export or distribution.

The terms of this Export Compliance Assurance shall survive and continue in effect upon termination of this Agreement with QUALCOMM.

9. MISCELLANEOUS. Buyer may not assign this Agreement or any right, nor delegate any obligation under this Agreement, without QUALCOMM’s prior written consent. No addition or modification to this Agreement shall be effective unless made in writing and signed by both parties. Any delay or failure to enforce at any time any provision of this Agreement shall not constitute a waiver of the right thereafter to enforce each and every provision thereof. If any of the provisions of this Agreement is determined to be invalid, illegal, or otherwise unenforceable, the remaining provisions shall remain in full force and effect. This Agreement will be governed by the laws of the State of California, U.S.A., excluding the U.N. Convention on International Sale of Goods, without regard to conflict of laws principles. All disputes arising in connection therewith shall be heard only by a court of competent jurisdiction in San Diego County, California, and the prevailing party in any legal proceeding shall be entitled to recover its reasonable attorneys’ fees incurred in

connection therewith. Any notice or other communication made or given by either party in connection with this Agreement shall be sent via facsimile (with confirmation, and a copy of such notice also sent by First Class U.S. Mail), or by registered or certified mail, postage prepaid, return receipt requested, or by courier service. Notices to QUALCOMM shall he addressed to QUALCOMM Incorporated, Attn: Legal Counsel, 5775 Morehouse Drive, San Diego, CA 92121; and to Buyer to the address set forth in the first paragraph. The parties' rights and obligations which by their sense and context are intended to survive any termination or expiration of this Agreement shall so survive. This Agreement may be executed in identical counterparts, each of which shall be deemed to be an original and, which taken together, shall be deemed to constitute the Agreement when a duly authorized representative of each party has signed a counterpart. Each party agrees that the delivery of this Agreement by facsimile shall have the same force and effect as delivery of original signatures and that each party may use facsimile signatures and photocopies of signatures as evidence of the execution and delivery of this Agreement by each party to the same extent that an original signature could be used.

The parties hereto have caused this Agreement to be executed as of the date first set forth below.

QUALCOMM Incorporated		AirCell LLC	
By:	/s/ Charles S. Chivetta	By:	/s/ Joe Cruz
Name:	Charles S. Chivetta	Name:	Joe Cruz
Title:	Director, Finance, QUALCOMM CDMA Technologies	Title:	SVP, CTO
Date:	October 9, 2007	Date:	9/26/2007

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

Manufacturing Services and Product Supply Agreement
Between
QUALCOMM Incorporated and AirCell LLC

This Manufacturing Services and Product Supply Agreement (the "Agreement") is entered into effective September 4, 2007 ("Effective Date") by and between AirCell LLC, a Delaware limited liability company ("Customer"), with its principal place of business at 1250 N. Arlington Heights Road, Suite 500, Itasca, IL 60143, and QUALCOMM Incorporated, a Delaware corporation ("QUALCOMM"), with its principal place of business at 5775 Morehouse Drive, San Diego, California 92121-1714, with respect to the following facts:

WHEREAS Customer desires to purchase from QUALCOMM, and QUALCOMM desires to sell to Customer, Product(s) for resale from time to time under Purchase Orders in accordance with this Agreement.

AGREEMENT

NOW, THEREFORE, the parties, in consideration of the mutual promises set forth herein, agree as follows:

ARTICLE 1. DEFINITIONS.

The following capitalized terms shall have the meanings set forth below. Any capitalized terms not defined in this Section 1 or elsewhere in this Agreement shall have the meanings ascribed to them in the Development Agreement.

"**Affiliate(s)**" shall mean any person or entity (i) which directly or indirectly controls, or is controlled by, or is under common control with a party or (ii) which, if publicly traded, has twenty percent (20%) or more of the voting securities directly or indirectly beneficially owned by a party. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract or otherwise.

"**AirCell System**" means a system designed to provide air-to-ground wireless broadband services.

"**Agreement**" means this Agreement and the Exhibits attached hereto, and any subsequent amendments to this Agreement to which the Parties agree in writing.

"**Costs**" shall mean all amounts paid or incurred by QUALCOMM applicable to Work in progress and, with respect to any non-delivered portion of the Products, for components, parts, tools or test equipment that cannot be canceled or returned for refund, and/or any restocking fees or back billing for reduction in quantities purchased.

"**Deliverables**" means the Products delivered by QUALCOMM hereunder as further described in Article 3.1.

"**Design Documentation**" means all schematics and test, assembly and package documentation relating to the Product, including all design, specification and assembly documentation and data files for Materials, which is necessary for the production, manufacture, qualification, testing and delivery of the Product to be attached as Exhibit A.

"**Development Agreement**" means that certain Development Agreement by and between Customer and QUALCOMM dated as of even date herewith.

"**EOL Invoice**" shall have the meaning set forth in Article 4.4.1.

"**Factory Refurbished Unit**" shall mean a Product which is the same as or equivalent to a Product that is returned for warranty service, which has been restored to good working order and refurbished in accordance with QUALCOMM's standard procedures, in a condition at least as good as the unit returned, which has been reprogrammed with the most current version of Software, shipped in non-retail packaging and covered by a warranty equal to the greater of (a) ninety (90) days from QUALCOMM's delivery thereof to the FCA Point or (b) the time remaining in the Warranty Period covering the original Product.

"**Factory Testing**" means the factory testing to be conducted by QUALCOMM prior to delivery of the Product. Such Factory Testing is limited to confirmation that the Product is capable of being activated on the AirCell System.

"**FCA Point**" means QUALCOMM's San Diego manufacturing facility or such other QUALCOMM facility as QUALCOMM may notify Customer from time to time.

"**Information**" shall have the meaning set forth in Article 20.

"**Initial Purchase Order**" or "**Initial P.O.**" means the non-cancelable Purchase Order submitted concurrently with the execution of this Agreement for the quantity of Products, pricing and delivery schedule as set forth below.

"**Marks**" shall mean the QUALCOMM trademarks which QUALCOMM places on Product(s).

"**Materials**" shall mean the Bill of Materials (BOM) required for the manufacture of the Product.

"**NTF**" or "**No Trouble Found**" means a Product returned to QUALCOMM which QUALCOMM has, in good faith and after applicable testing, found not to be defective.

"**Parties**" means Customer and QUALCOMM, who are the principals of this Agreement.

"**Parts Purchase Invoice**" shall have the meaning set forth in Article 4.4.1.

"**Price**" means the price per unit to be paid to QUALCOMM by Customer for Product. [***].

"**Product**" means the modern card described in that certain AirCell Aircard Product Definition Document dated July 2, 2007 Revision #C, including Software, manufactured, assembled, provisioned and programmed by QUALCOMM in compliance with the requirements of this Agreement and the applicable Design Documentation.

"**Purchase Order**" or "**P.O.**" means Customer's written authorization issued to QUALCOMM for the purchase of Product(s) pursuant to this Agreement.

"**QUALCOMM Intellectual Property**" means present and, to the extent developed during the Term, future intellectual property owned or licensed by QUALCOMM, or developed, created or reduced to practice by QUALCOMM, its Affiliates, agents, and/or subcontractors, including but not limited to any and all such intellectual property rights as may be incorporated or embodied in the Deliverables, to include without limitation, the Product and any documentation developed under this Agreement.

"**RMA Procedures**" means the set of procedures found on QUALCOMM's official website which describes the process and documentation required for the return by Customer of products to QUALCOMM. A copy of RMA Procedures is attached as Exhibit C.

"**Software**" means the proprietary software provided by QUALCOMM as part of the deliverable required by Milestone 5 of the Development Agreement.

"**Term**" shall have the meaning set forth in Article 16.

"**Warranty Period**" twelve (12) months from the date of acceptance thereof by Customer, unless extended pursuant to Article 12.3.

"**Work**" means the services required to be performed by QUALCOMM pursuant to the terms and conditions of this Agreement, as more particularly defined in Article 2.1 herein.

ARTICLE 2. SCOPE OF WORK.

2.1 QUALCOMM.

2.1.1 Manufacture and Supply. QUALCOMM will use reasonable commercial efforts to manufacture provision and deliver Products to Customer in accordance with the Design Documentation listed on Exhibit A, and the Delivery Schedule attached hereto as Exhibit B.

2.1.2 Testing by QUALCOMM. QUALCOMM will use its standard commercial quality practices to perform Factory Testing of the Product. The process for Customer's acceptance of the Product is as specified in Article 8 below. QUALCOMM will provide to Customer copies of the Factory Testing results by serial number shipped with the units or electronic access to this data by serial number. Customer may be present at the time QUALCOMM conducts Factory Testing and QUALCOMM shall provide Customer adequate notice of such planned testing to permit Customer to observe such Factory Testing

2.2 Approvals and Certification by Customer.

Customer shall be responsible for all regulatory approvals, qualification and certifications of the Product. Upon request, QUALCOMM may provide reasonable assistance, subject to availability of resources, pursuant to the terms of the Development Agreement.

2.3 Purchase of Products.

Customer hereby irrevocably commits to order a minimum of [***] of the Product. Concurrent with the execution of this Agreement, Customer will issue to QUALCOMM a non-cancelable Initial P.O. for at least [***] of the Product at the pricing set forth in Exhibit B and make timely payment as set forth in Article 4.4 below. Customer will issue follow-on Purchase Orders pursuant to the terms set forth in Exhibit B.

This Agreement shall apply to the Initial Purchase Order and follow-on Purchase Orders accepted by QUALCOMM for Product hereunder, unless the Parties expressly agree in writing that this Agreement or a particular provision thereof, does not apply, and each P.O. shall be subject thereto. Each P.O. accepted by QUALCOMM in writing and this Agreement shall constitute the entire agreement between Customer and QUALCOMM with respect to the manufacture, purchase, sale and delivery of the Product(s) described in such P.O.

2.4 Delivery Schedule.

2.4.1 QUALCOMM shall schedule delivery under the Initial Purchase Order according to the following schedule:

[***]

QUALCOMM will use its commercially reasonable efforts to maintain the foregoing schedule, however, Customer acknowledges that the delivery date may be affected by delays in QUALCOMM's ability to procure qualified Product bill of material components. QUALCOMM shall use its commercially reasonable efforts to mitigate any delays and shall immediately notify Customer of such delays. If such delay is estimated to be greater than ten (10) days, the parties shall confer to determine alternatives.

2.4.2 For follow-on Purchase Orders accepted by QUALCOMM for Product hereunder, the parties will mutually agree upon a delivery schedule in writing, however such delivery shall occur no later than one hundred twenty (120) days from the date QUALCOMM receives such Purchase Order. Should QUALCOMM anticipate a delay in any of the delivery dates B, QUALCOMM will notify Customer in writing promptly.

2.4.3 If QUALCOMM is delayed at any time due to the acts or omissions of Customer or Customer's failure to order and pay for Product as required hereunder, QUALCOMM will be entitled to receive from Customer an equitable adjustment in the schedule. If any such delay is greater than ten (10) business days, QUALCOMM will further be entitled to invoice and receive payment of idle time labor hours for any staff member that cannot be reassigned during the delay/downtime at QUALCOMM's then current commercial rates. QUALCOMM is not obligated to continue the Work in the event of a delay or stop work issuance that lasts longer than twenty (20) business days and/or if there is a dispute concerning QUALCOMM's equitable adjustment claim that remains unresolved for more than twenty (20) business days. If QUALCOMM is required to pay its subcontractor(s) for costs associated with a Customer delay, QUALCOMM will be fully reimbursed by Customer.

2.5 Work Coordination.

Customer may request visits to QUALCOMM's facilities to review the Work, including to witness QUALCOMM quality procedures or testing as scheduled by QUALCOMM. All such requests must be submitted in writing at least five (5) business days in advance. QUALCOMM will permit and schedule reasonable requests from Customer for access so as not to interfere with the Work in progress. Contacts relating to technical activities will be coordinated through QUALCOMM's designated Program Manager. Direct contact with QUALCOMM engineers will be permitted only with the concurrence of the QUALCOMM Program Manager. (No access to QUALCOMM's subcontractors is permitted without QUALCOMM's prior written consent.)

ARTICLE 3. DELIVERABLE ITEMS

3.1 Deliverables.

Deliverables and the delivery schedule for the Initial Purchase Order are set forth in Exhibit B. If an item is not listed in Exhibit B, QUALCOMM has no obligation to deliver such item to Customer. Items purchased under this Agreement for QUALCOMM's use in performing the Work are not deemed to be Deliverables unless and to the extent they are listed as such on Exhibit B, as may be amended from time to time.

3.2 Marking and Packaging.

QUALCOMM shall package the Product in bulk for safe arrival to Customer using QUALCOMM's standard procedures and best commercial practices.

Customer will provide QUALCOMM, in advance of shipment, any special markings required on packaging and/or shipping documents.

ARTICLE 4. PRICE AND DELIVERY SCHEDULE

4.1 Price and Delivery Schedule.

Customer agrees to purchase a minimum of [***] units of Product for QUALCOMM's manufacture hereunder. Unless this Agreement is terminated earlier, QUALCOMM is obligated to manufacture up to [***]units of Product. The price of Product(s) purchased under the Initial Purchase Order and follow-on Purchase Orders is set forth on Exhibit B and stated in U.S. Dollars. QUALCOMM's prices do not include any applicable sales, use, excise, value-added and/or withholding taxes, customs, duties, fees, freight, insurance and delivery charges, or any other taxes, fees or charges. In the event QUALCOMM purchases any items on behalf of Customer and with Customer's pre-approval, for use in QUALCOMM's performance of the Agreement, the pricing of Product will be adjusted to include such amounts expended by QUALCOMM to obtain such items or components.

4.2 Additional Orders For Product.

During the Term and after QUALCOMM's delivery of the initial [***]units, Customer may issue additional Purchase Orders for Product up to a maximum of [***] units pursuant to the delivery terms to be negotiated between the Parties. QUALCOMM has no obligation or requirement to accept such Purchase Order(s) for any amount of Product in excess of [***] units.

4.3 Payment Terms.

QUALCOMM's payment terms are [***]. QUALCOMM will invoice Customer [***].

4.4 Payment.

4.4.1 Concurrent with the execution of this Agreement, QUALCOMM shall issue an invoice to Customer for [***]. The EOL invoice shall be issued to Customer on the Effective Date and Customer shall pay such invoice Net 30 days from the actual receipt of such invoice, and the Parts Purchase Invoice shall be issued concurrent with Customer's issuance of the Initial Purchase Order to QUALCOMM pursuant to Article 2.3 and shall be paid by Customer NET 30 days after actual receipt. The payments made by Customer under the EOL Invoice and the Parts Purchase Invoice are non-refundable.

4.4.2 Except as described in Article 4.4.1, all invoices shall be paid by Customer NET 30 days from the date of Customer's receipt of QUALCOMM's invoice. Payments due QUALCOMM are not contingent on Customer's receipt of payment from Customer's end user or other third party. All late payments shall be subject to a late charge of 1% per month or maximum amount permitted by law, whichever is lower, on the unpaid balance.

4.4.3 Payments must be made in U.S. dollars, and shall reference the Agreement number and be sent via wire transfer to:

[***]

4.4.4 If Customer disputes any amount included on any QUALCOMM invoice, Customer shall timely pay the undisputed portion of such invoice in accordance with Article 4.4.2 above. Customer shall notify QUALCOMM in writing of all disputed amounts, including justification, within thirty (30) days of the date of QUALCOMM invoice. The Parties agree to attempt to resolve all such disputes in accordance with Article 23 herein. QUALCOMM is not obligated to continue the Work in the event that a disputed invoice (for more than a nominal amount) remains unresolved for greater than thirty (30) days after the payment due date. No late payment charges will accrue during a period that the parties are attempting in good faith to resolve a dispute.

4.4.5 Customer may not offset any amounts due QUALCOMM hereunder against any amounts due from QUALCOMM under any this Agreement or any other agreement or arrangement between the Parties.

4.4.6 In the event Customer fails to make payments on a timely basis, QUALCOMM shall have the right to condition further deliveries of Product(s) and/or acceptance of additional Purchase Orders on Customer's payment of the full price for Product(s) covered thereby prior to delivery.

ARTICLE 5. TAXES AND DUTIES.

Customer is liable for all applicable taxes, fees, including but not limited to sales, use, excise, or similar taxes levied under federal, state or local tax laws excepting those taxes imposed upon QUALCOMM's

income. All such taxes and/or fees will be calculated in accordance with the applicable federal, state or local laws. All amounts due QUALCOMM will be paid without deduction for any taxes, levies, or charges of any nature which may be imposed. In the event that QUALCOMM pays for any such items on behalf of Customer, Customer shall reimburse QUALCOMM therefor within thirty (30) days of Customer's receipt of QUALCOMM's invoice.

ARTICLE 6. DELIVERY, TITLE, RISK OF LOSS.

6.1 Delivery of Product. Subject to QUALCOMM's receipt of payment from Customer for the Purchase Order as required in this Agreement, all deliveries of Product shall be made FCA (INCOTERMS 2000) to the FCA Point, and Customer shall pay all shipping charges directly to carrier. In the absence of written shipping instructions from Customer, QUALCOMM will select the carrier and so notify Customer.

6.2 Title and Risk of Loss. Title to the Product(s) (but not for QUALCOMM Intellectual Property or Software) and risk of loss or damage to the Product(s) will pass to Customer free and clear of all liens and encumbrances upon QUALCOMM's delivery of the Product(s) to the FCA Point.

ARTICLE 7. EXPORT COMPLIANCE ASSURANCE, COMPLIANCE WITH LAWS.

7.1 Export Compliance. Customer acknowledges that all products, proprietary data, know-how, software or other data or information obtained from QUALCOMM are subject to the United States (U.S.) government export control laws accordingly their use, export and re-export, may be restricted or prohibited. Customer, therefore, agrees that neither it nor its subsidiaries or affiliates will directly or indirectly export, re-export, transfer, or release, or cause to be exported or re-exported (herein referred to as "export"), any such products, proprietary data, know-how, software or other data or information obtained from QUALCOMM or any direct products, proprietary data, know-how, software or other data or information obtained from QUALCOMM thereof to any destination or entity prohibited or restricted under U.S. law including but not limited to U.S. government embargoed or sanctioned countries or entities, unless it shall obtain prior to export an authorization from the applicable U.S. government agency (either in writing or as provided by applicable regulation). Customer further agrees that no products, proprietary data, know-how, software or other data or information obtained from QUALCOMM or received from QUALCOMM will be directly or indirectly employed in missile technology, sensitive nuclear or chemical biological weapons end uses or in any manner transferred to any party for any such end use. This requirement shall survive any termination or expiration of this Agreement or any other agreement with QUALCOMM.

7.2 Compliance with Laws. Each party shall comply with all applicable required U.S. laws, regulations and codes, in the performance of this Agreement. Nothing contained in this Agreement shall require or permit Customer or QUALCOMM to do any act inconsistent with the requirements of: (a) the regulations of the United States Department of Commerce; or (b) the foreign assets controls or foreign transactions controls regulations of the United States Treasury Department; or (c) of any similar United States law, regulation or executive order; or (d) any applicable law or regulation, as the same may be in effect from time to time. Customer will comply with all laws and regulations of the United States of America applicable to its activities under this Agreement, including but not limited to U.S. Export Administration Regulations. Further, Customer shall comply with the laws of all countries in which Customer imports any Products in the importation, marketing, sale, distribution, warranty and use thereof.

Each party shall indemnify the other party and its officers, directors, employees and permitted assigns and successors against any losses, damages, claims, demands, suits, liabilities, penalties and expenses (including reasonable attorneys' fees) that may be sustained by reason of such party's failure to comply with this Article 7.2.

ARTICLE 8. INSPECTION; ACCEPTANCE.

Customer shall inspect and either accept or reject Product(s) within sixty (60) days after the date of delivery to the FCA Point. If Customer fails to effectively reject any Product in a written document delivered to QUALCOMM stating the reasons therefor within such period, Customer shall be deemed conclusively to have accepted such Product. Customer's remedy for Product defects during the sixty (60) day period shall be limited to returning the rejected Product in accordance with the RMA Procedures set forth on Exhibit C, and all shipping charges for the return and replacement of rejected Product(s), exclusive of taxes, shall be paid by QUALCOMM. Any Product(s) rejected by Customer which are determined to be NTF shall be subject to the NTF procedures and costs set forth on Exhibit C and Article 12.4.4.

ARTICLE 9. RESERVED.

ARTICLE 10. RESTRICTIONS ON USE OF TRADEMARKS AND LOGOS.

In order that each party may protect its trademarks, trade names, corporate slogans, corporate logo, goodwill and product designations, no party, without the express written consent of the other, shall have the right to use any such marks, names, slogans or designations of the other party, in the sales, lease or advertising of any products or on any product container, component part, business forms, sales, advertising and promotional materials or other business supplies or material, whether in writing, orally or otherwise, except as expressly agreed by the parties. Nothing in this Article 10 shall restrict Customer from distributing Product(s) with the Marks.

ARTICLE 11. PRODUCT USES AND RESTRICTIONS.

Customer acknowledges that the Product is a circuit board module requiring environmental protection. These environmental elements include, but are not limited to, temperature variation, humidity, condensation, lightning strikes, electromagnetic radiation, corrosive agents, ESD, particulates, direct impacts, mechanical shocks and vibrations, and as such, requires Customer to be responsible for the environmental testing of and protection for the Product. QUALCOMM shall have no liability for Customer's failure to design or develop the Product in such a manner that fails to provide it an adequate enclosure or other sufficient environmental protection capabilities for the Product, however QUALCOMM shall offer reasonable technical assistance to Customer as requested from time to time (not to exceed two hundred and forty hours (240) in the aggregate) to assist Customer is resolving such issues.

Customer shall, and shall require its distributors and other customers to market, distribute, sell and use the Product(s) (sublicense in the case of software) solely in accordance with and for the purposes contemplated in this Agreement.

ARTICLE 12. WARRANTY.

No warranty, express or implied, shall apply to the Product, except as provided in this Article 12.

12.1 Services Warranty — by QUALCOMM. QUALCOMM warrants only to Customer that the Work performed under this Agreement will be performed in a professional and workmanlike manner and in accordance with normal industry standards.

12.2 Pass Through Warranty. Except as provided in Article 12.3 below, no warranty, express or implied, shall extend to the Product, except for any pass-through warranty provisions for components procured by QUALCOMM from a third party that are assignable to Customer. The warranty extended to the Product is as provided below.

12.3 Product Warranty. QUALCOMM warrants only to Customer that the Product (excluding the Software contained therein) will (a) be free from defects in material and workmanship under normal use as permitted hereunder and (b) conform to QUALCOMM's specification for the Product for the Warranty Period of twelve (12) months beginning on the date of Customer's acceptance of such Product. [***]. QUALCOMM represents that as of the date of this Agreement, to the best of its knowledge, there are no claims known made or threatened, by third parties alleging that the Product(s) infringe upon the intellectual property of any third party.

12.3.1 Product Warranty – Software. QUALCOMM warrants that the Software contained in the Product will be free from material programming errors that substantially impair the intended operation thereof for the warranty period set forth in Article 12.3 above. In the event of a breach of the above warranty that is reproducible by QUALCOMM, QUALCOMM shall use reasonable commercial efforts to provide a software work-around or correction.

12.3.2 Product Warranty – Exclusions. No warranty, express or implied, shall extend to any Software or any Product which has been subjected to misuse, neglect, accident, or improper storage or installation or which has been repaired, modified, or altered by anyone other than QUALCOMM or QUALCOMM's authorized representative. In addition, unless approved in writing by QUALCOMM the warranty does not extend to any Product which is attached to or used with accessories, batteries, connectors, cabling or other items not provided or approved by QUALCOMM. Product is not specifically warranted to be appropriate for incorporation and use in any other product or for any use prohibited in the applicable Documentation. Customer hereby acknowledges and agrees that it has not relied on any representations or warranties other than those expressly set forth herein.

12.3.3 Warranty Process. In the event of an alleged defect of Product covered by warranty, Customer shall obtain an RMA Number and return the Product(s) in accordance with the RMA Procedures within thirty (30) days after the issuance of the RMA Number. If Products returned by Customer in accordance with the RMA Procedures are determined by QUALCOMM to be defective and covered by warranty, QUALCOMM shall use reasonable commercial efforts to, within thirty (30) days of receipt of such Products, at its option, repair or replace such Products and ship such Products to Customer at QUALCOMM's expense (excluding taxes and customs duties imposed in connection with the return of Products if applicable) or, if QUALCOMM determines that it is unable to repair or replace such Products, QUALCOMM shall credit to Customer's account the amount of the unit price. QUALCOMM shall have the right to ship as a replacement a Factory Refurbished Unit. QUALCOMM's obligation to effect the warranty remedy set forth herein shall be subject to Customer's shipment of defective Products in strict accordance with the RMA Procedures.

12.3.4 Product Warranty – No Trouble Found/NTF. If Customer's levels of NTF returns are reasonably determined by QUALCOMM to be excessive, Customer shall be notified and thereafter billed the sum of One Hundred Twenty dollars (US$120.00) per occurrence for the NTF evaluation. Customer shall pay for shipping to and from QUALCOMM for all NTF units.

12.3.5 Product Warranty – Returned Product Not Covered by Warranty. In the event Products not covered by warranty can be economically repaired, QUALCOMM shall contact Customer for authorization to repair and provide an estimate of the costs therefor, based on the cost of repair plus an Evaluation Fee of One Hundred Twenty dollars (US$120.00). If authorized by Customer, QUALCOMM shall attempt to repair such Products within the estimate and return same to Customer at Customer's cost. Customer shall pay for such repair upon invoice from QUALCOMM. If QUALCOMM is unable to repair non-warranted Products, or Customer does not authorize repair, QUALCOMM will return same to Customer at Customer's cost or scrap the same without liability to Customer.

EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE 12, QUALCOMM MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO COMPONENTS, PRODUCT(S), SOFTWARE, OR DOCUMENTATION, OR ANY OTHER INFORMATION OR SERVICES PROVIDED HEREUNDER, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR AGAINST INFRINGEMENT, WHETHER ARISING FROM LAW, CUSTOM OR CONDUCT, AND THE RIGHTS AND REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND IN LIEU OF ANY OTHER RIGHTS OR REMEDIES RELATED TO THE DESIGN, MANUFACTURE, DUPLICATION, MATERIALS, WORKMANSHIP, DOCUMENTATION, SERVICES, INFORMATION OR COMFORMANCE TO ANY SPECIFICATION REQUIREMENTS, WHETHER IN AN ACTION FOR OR ARISING OUT OF BREACH OF CONTRACT, TORT OR ANY OTHER CAUSE OF ACTION.

ARTICLE 13. NO TRANSFER OF INTELLECTUAL PROPERTY RIGHTS IMPLIED.

The sale to Customer of the Products does not convey to Customer any intellectual property rights in such Product or any Software (other than the license to use such Products or services), including but not limited to any rights under any patent, trademark, copyright, or trade secret. Neither the sale of Products, the license of Software nor any provision in this Agreement shall be construed to grant to Customer, either expressly, by implication or by way of estoppel, any license under any patents or other intellectual property rights of QUALCOMM or its licensors covering or relating to any other product or invention or any combination of the Product or software with any other product (other than the license to use such Products or services).

ARTICLE 14. QUALCOMM SOFTWARE LICENSE.

Product(s) sold hereunder may contain or be accompanied by Software and, except as otherwise expressly provided herein, all references to "Product(s)" herein shall be deemed to include the accompanying Software, provided that nothing herein shall be construed as the sale of, or passage of title in, any Software or any other intellectual property embedded in the Products to Customer. QUALCOMM hereby grants to Customer a non-exclusive, worldwide license to sublicense the Software and to use the Software (in object form only) solely as included and intended to be used in the Products purchased by Customer from QUALCOMM and for use only in the manner which QUALCOMM intends the Software to be used, for the duration of the useful life of such Product(s) and subject to the terms and conditions of this

Agreement. Customer shall not and shall not permit any third party to, without the prior written consent of QUALCOMM: (i) alter, modify, translate, or adapt any Software or create any derivative works based thereon; (ii) copy any Software; (iii) assign, sublicense or otherwise transfer the Software in whole or in part, except as permitted herein; (iv) use the Software except as specifically contemplated in this Agreement; or (v) disclose the Software to any third party. The entire right, title and interest in the Software shall remain with QUALCOMM, and Customer shall not remove any copyright notices or other legends from the Software or any accompanying documentation. Customer may reproduce and distribute any Documentation provided by QUALCOMM for distribution with the Product, in whole or in part, for purposes related to the operation, maintenance or sale thereof.

Customer may sublicense to its distributors the right to further sublicense to bona fide end user customers the right to use the Software only as incorporated in the Product, subject to terms at least as protective of QUALCOMM's rights therein as set forth in this Agreement and such right shall survive termination or expiration of such Agreements and last for the duration of the useful life of the Product. If Customer, and Customer's distributors, do not take reasonable steps to enforce their rights under such software sublicense agreements, Customer shall take all reasonable steps necessary to ensure that the right to enforce such software sublicense agreements is transferred and assigned to QUALCOMM.

Customer shall use the Products and Software contained therein or furnished by QUALCOMM solely in accordance with and for the purposes specifically contemplated in the terms of this Agreement or the Development Agreement. Customer shall not, and shall not permit any third party to, directly or indirectly, alter, modify, translate, or adapt any Product or Software contained therein or create any derivative works based thereon, disassemble, decompose, reverse engineer, or analyze the physical construction of, any Products or Software or any component thereof for any purpose, except as permitted under a Design Transfer Agreement.

ARTICLE 15. CHANGES.

Customer may, during the Term and by written request issued by Customer, request changes to the Work, including changes to the delivery schedule and quantities ordered. All such change orders will be sent to the attention of a contact person at QUALCOMM to be identified prior to the first delivery of Products hereunder.

QUALCOMM will use reasonable commercial efforts to submit a proposal to the Customer that includes the estimated costs and schedule impact associated with such change within twenty (20) business days of QUALCOMM's receipt of the written request. If QUALCOMM's proposal is approved in writing by Customer, the Parties will amend this Agreement and each party will sign such amendment prior to QUALCOMM's implementation of the change. QUALCOMM is not obligated to proceed with any change order request from Customer until such time as an amendment to the Agreement has been fully executed between the Parties.

ARTICLE 16. TERM.

This Agreement shall commence on the Effective Date and shall have an initial term ("Term") of three (3) years following the earlier of (a) date when Customer launched commercial services over the AirCell System (b) November 1, 2008. QUALCOMM and Customer may mutually agree in writing to extend the Term.

ARTICLE 17. TERMINATION.

17.1 The occurrence of any of the following shall constitute a material default and breach of this Agreement and shall allow the non-defaulting party to terminate this Agreement after the expiration of the applicable period of cure, if any:

17.1.1 Any unauthorized disclosure of either party's Information as set forth in Article 20 below, shall allow the non-defaulting party to terminate immediately;

17.1.2 Any unauthorized use of the Product, misuse of the Marks, or performance by Customer of unauthorized modifications to the Product not contemplated by this Agreement, the Development Agreement or a permitted Design Transfer Agreement, shall permit QUALCOMM to terminate immediately;

17.1.3 The dissolution, liquidation or discontinuance of business operations of either party shall permit the other party to terminate immediately;

17.1.4 Any material default by either party of an obligation, condition or covenant of this Agreement which is not cured within thirty (30) days after the date the other party notifies the defaulting party in writing of such default;

17.2 [***]

17.3 [***].

17.4 In the case of termination of this Agreement for any reason, each party will cease use of the other party's furnished Material and return them to the owning party within thirty (30) days after the termination date. Each party will cease use of the Information belonging to the other party and return all such Information, and any authorized copies thereof, to the other party within thirty (30) days after the termination date.

17.5 In the event of termination of this Agreement for any reason except Customer's default, QUALCOMM will deliver to Customer all Products which have been completed, subject to QUALCOMM's receipt of Customer's payment in full of the final invoice to Customer. In such event, Customer shall have the right to sell all remaining inventory to customers pursuant to the applicable terms and conditions herein. If Customer has made prepayments for any Products that have not and will not be delivered to Customer due to the termination of this Agreement, QUALCOMM shall refund such prepayments (less any offsets pursuant to Section 17.3 of this Agreement) within thirty (30) days of the date of termination.

ARTICLE 18. LIMITATION OF LIABILITY.

IN NO EVENT SHALL QUALCOMM BE LIABLE TO CUSTOMER OR END USER OR ANY THIRD PARTY, NOR SHALL CUSTOMER BE LIABLE TO QUALCOMM FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO ANY LOST PROFITS, LOST SAVINGS, OR OTHER INCIDENTAL DAMAGES, ARISING OUT OF THE USE OR INABILITY TO USE, OR THE DELIVERY OR FAILURE TO DELIVER, ANY OF THE PRODUCT OR ANY SOFTWARE OR DOCUMENTATION, EVEN IF

QUALCOMM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATION OF LIABILITY SHALL REMAIN IN FULL FORCE AND EFFECT REGARDLESS OF WHETHER CUSTOMER'S REMEDIES HEREUNDER ARE DETERMINED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. [***]

ARTICLE 19. INDEMNIFICATION.

19.1 Misuse. Customer shall indemnify, defend and hold harmless QUALCOMM, its Affiliates, and their directors, officers, agents and employees against any and all losses, claims, demands, damages and expenses, including reasonable attorneys' fees (collectively, "Losses") arising out of (i) any misuse or modification of the Product(s) sold hereunder, (ii) any unauthorized or unlawful use or distribution of the Product(s) sold hereunder, (iii) any unauthorized disclosure of QUALCOMM's Information, or (iv) any unlawful acts or omissions by Customer, including any nonpayment of taxes, duties or other assessments relating to the transactions contemplated by this Agreement.

19.2 By QUALCOMM—Infringement. [***]

19.3 By Customer—Infringement. [***]

19.4 Procedure for Indemnification. With respect to indemnification pursuant to Article 19.1, 19.2 or 19.3, (a) the indemnified party shall give the indemnifying party prompt written notice of any claim or action for which the indemnified party is claiming indemnification hereunder; (b) the indemnifying party shall be given the opportunity to control the defense or settlement of each such claim or action; and (c) the indemnified party shall cooperate with, and provide reasonable information and assistance to, the indemnifying party in the defense and/or settlement of each such claim or action at the indemnifying party's expense, provided that failure to comply with (a), (b) and (c) shall not affect the indemnifying party's obligation hereunder unless and to the extent the indemnifying party is materially prejudiced thereby. The indemnifying party shall pay all sums, including without limitation reasonable attorneys' fees, damages, losses, liabilities, expenses, and other costs, that by final judgment or decree, or in settlement of any suit or claim to such indemnifying party agrees, may be assigned against the indemnified party, its Affiliates, directors, officers, managers, members, agents, and employees on account of the claim indemnified against.

ARTICLE 20. RESTRICTIONS ON INFORMATION DISCLOSURE AND USE.

All documentation and technical and business information and intellectual property in whatever form recorded that a party does not wish to disclose without restriction ("Information") shall remain the property of the furnishing party and may be used by the receiving party only as set forth herein. The Information and the terms of this Agreement are deemed Information under the Mutual Nondisclosure Agreement dated as of September 14, 2004 between QUALCOMM and Customer (the "NDA"). The NDA is incorporated herein and will continue to govern Information exchanged during the term of this Agreement. If there is any conflict between the provisions of the NDA and this Agreement, this Agreement will govern. Those provisions of the NDA that are stated to survive termination, will survive termination of this Agreement.

ARTICLE 21. INSURANCE.

Each party shall at all times, at its own cost and expense, carry and maintain the insurance coverage required by law and commercially standard in the jurisdiction(s) and industry(ies) in which it transacts business.

ARTICLE 22. ASSIGNMENT.

Neither this Agreement nor any rights, duties or interest herein, shall be assigned, transferred, pledged or hypothecated or otherwise conveyed by either party without the other party's prior written consent which shall not be unreasonably delayed or withheld. Notwithstanding, QUALCOMM shall have the right to (i) subcontract the procurement of Materials, manufacturing and/or testing of the Product to a third party and (ii) transfer this Agreement in connection with any transfer by QUALCOMM to a third party of its Product-related business. For purposes of this Article, "assignment" shall be deemed to include any transaction or series of transactions which results in an aggregate change in ownership or control of more than fifty percent (50%) of the party. Any attempted assignment or delegation in contravention of this Article shall be void.

ARTICLE 23. DISPUTE RESOLUTION, APPLICABLE LAW, VENUE.

23.1 In the event of any dispute or claim hereunder, the Parties shall attempt to reach resolution thereof through good faith negotiation, including involvement of the senior management of each party. In the event that such negotiation is riot commenced within thirty (30) days after a request therefor by either party, or the failure of the Parties to reach resolution within sixty (60) days after commencement of such negotiations, either party may pursue its legal remedies.

23.2 The interpretation, validity and enforcement of this Agreement shall be governed by the laws of the State of California, USA, excluding the U.N. Convention on International Sale of Goods, and without regard to conflict of laws principles. The prevailing party in any legal proceeding shall be entitled to recover its reasonable attorneys' fees incurred in connection therewith.

ARTICLE 24. FORCE MAJEURE.

Any delay and/or failure in performance shall not be deemed a breach hereof when such delay or failure is caused by or due to causes beyond the reasonable control and without negligence of the party charged with such performance hereunder, including, but not limited to, fire, earthquake, flood, accidents,

explosions, acts of God and acts of governmental authority or acts of war, power outages, power shortages, acts of terrorism, or acts of a civil or military authority ("Force Majeure"). The party claiming Force Majeure shall notify the other party, in writing, within ten (10) days after the occurrence of the Force Majeure event specifying the nature and anticipated duration of the delay. The party claiming Force Majeure shall use commercially reasonable efforts to avoid or minimize the effects of delay or non-performance and this Agreement shall be amended to take into account the delay caused by the Force Majeure event. Notwithstanding the foregoing, in the event any delay extends for a period of more than six (6) months, either party shall have the right to terminate this Agreement by written notice to the party claiming Force Majeure.

ARTICLE 25. NOTICES.

Except as otherwise expressly provided herein, any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows, with notice deemed given as indicated: (i) by Federal Express or other overnight courier, upon written verification of receipt as evidenced by the courier's delivery record; or (ii) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below or to such other address as either party may specify in writing.

If to QUALCOMM:

QUALCOMM INCORPORATED
5775 MOREHOUSE DRIVE
SAN DIEGO, CALIFORNIA 92121
Attn: Ahmad Jalali

If to AirCell:

AIRCELL LLC
1250 NORTH ARLINGTON HEIGHTS RD.
SUITE 500
ITASCA IL 60143
ATTENTION: CFO

ARTICLE 26. INDEPENDENT CONTRACTORS RELATIONSHIP.

The relationship between the parties under this Agreement is solely that of independent contractors, and neither party is an employer, employee, owner, agent, franchisor, franchisee or representative of the other party. Neither party is authorized or empowered to represent the other party, nor to transact business, incur obligations or buy goods in the other party's name or for the other party's account. This Agreement does not constitute, and shall not be deemed to constitute a joint venture or partnership between the parties hereto, and neither party shall be deemed to be an agent of the other, or have authority to bind, obligate or make an agreement for the other party.

ARTICLE 27. NON-EXCLUSIVITY.

Both Parties acknowledge and agree that this is a non-exclusive Agreement (except as expressed in the Development Agreement) and QUALCOMM reserves the right to manufacture and sell other data communications products that utilize the Product as a core communications component to other parties at its sole discretion (except as expressed in the Development Agreement).

ARTICLE 28. MISCELLANEOUS PROVISIONS.

28.1 No addition to or modification of this Agreement shall be effective unless made in writing and signed by the duly authorized respective representatives of QUALCOMM and Customer.

28.2 Any delay or failure to enforce at any time any provision of this Agreement shall not constitute a waiver of the right thereafter to enforce each and every provision thereof.

28.3 If any of the provisions of this Agreement is determined to be invalid, illegal, or otherwise unenforceable, the remaining provisions shall remain in full force and effect.

28.4 The Parties' rights and obligations which by their sense and context are intended to survive any termination or expiration of this Agreement shall so survive, including but not limited to Articles 4.4, 5, 7, 11, 12, 13, 14.1, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28.

28.5 This Agreement may be executed in counterparts, by facsimile, or both, each of which will be considered an original, but all of which together will constitute the same instrument. If executed via facsimile, the party so executing agrees to send the original to the other party via Federal Express or other overnight courier to the address designated in Article 25.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed below effective as Effective Date.

QUALCOMM Incorporated		**AirCell LLC**	
By:	/s/ David Virgil	By:	/s/ Joe Cruz
Name:	David Virgil	Name:	Joe Cruz
Title:	SVP	Title:	SVP, CTO

ATTACHMENTS:

Exhibit A — Design Documentation
Exhibit B — Pricing / Delivery Schedule
Exhibit C — RMA Procedures

EXHIBIT A

DESIGN DOCUMENTATION

1. Bill of Materials (BOM) with Manufacturer and Manufacturer Part Numbers
2. Development Platform Specification
3. Factory and Quality Test Procedures (ATPs)

EXHIBIT B

QUANTITY/PRICING/DELIVERY SCHEDULE

1. Product Pricing:

Quantity	*Unit Price (USD)
[***]	[***]

* Assumes no major design changes.

EXHIBIT C

RMA (Return Material Authorization) Procedures
for QUALCOMM Aircards

Prior to Requesting an RMA

1. Customer personnel must be registered with QUALCOMM Customer Service to submit a request for RMA. To obtain registration status, Customer must email QUALCOMM Customer Service at _____. (A list of authorized personnel that can obtain RMAs from QUALCOMM should be provided in advance, if possible, by Customer).

2. Customer personnel will receive an email confirmation that they have been authorized to submit RMAs.

RMA Procedure

1. Customer should **REQUEST** an RMA from QUALCOMM using one of the following methods:

EMAIL QUALCOMM Customer Service _____. Be sure to include "RMA Request" in the subject field.

Or

Request a hardcopy RMA form comm-sa@qualcomm.com. **COMPLETE** the hardcopy RMA form and FAX the form to QUALCOMM Customer Service _____ or send it as an attachment in an email to _____. Be sure to include the original Purchase Order Number or Contract Name/Number on this Form.

2. The QUALCOMM Customer Service Representative will log the information into QUALCOMM's call tracking software system, which automatically assigns a case number for the RMA request. Please note, this is not the RMA number. The RMA number will be assigned if all warranty criteria have been met. Please include a description of the problem and the RMA documentation with the part(s) to be repaired.

3. Customer will **RECEIVE** a confirmation and case number for the RMA request from QUALCOMM Customer Service via email.

4. Customer will **RECEIVE** an RMA number, shipping instructions, and RMA confirmation documents from QUALCOMM Customer Service via email or fax.

5. Customer must package the RMA part(s) for shipment for safe arrival at QUALCOMM, including the following:

a) Package part(s) in accordance with professional packing standards. Part(s) must be packaged in original box or equivalent container. If applicable, external box should be suitable for international shipment or Freight Forwarder equivalent.

b) Enclose the RMA form, the description of the failure, and a copy of the RMA documentation received from QUALCOMM in each shipping container.

If applicable, enclose any exportation documentation for customs purposes.

c) Write the RMA number(s) on the outside of each container. If reusing shipping containers, remove previous stickers and labeling.

d) Verify the “Ship TO” address is visible on the outside of each container.

6. Customer must **SHIP** the RMA part(s) per QUALCOMM shipping instructions indicated on the RMA documentation.

Please refer to the applicable contract agreement with QUALCOMM to determine the responsible party and schedule for payment of associated shipping costs (i.e., customs clearance, freight costs, and associated duties and taxes) required for transport or parts(s) to and from QUALCOMM; and for Repair Evaluation Fees and Repair Fees, and NTF occurrences.

7. For tracking purposes, Customer must **OBTAIN** the Airway Bill (AWB) number from the freight forwarder and email both the AWB number and the associated RMA number to QUALCOMM Customer Service at status.rma@qualcomm.com shipment.

8. QUALCOMM will notify Customer of estimated ship schedule for repaired part(s) via email.

9. Customer should CONFIRM the receipt of the repaired product(s) and validate the functionality of the part(s) by sending email to status.rma@qualcomm.com.

10. Upon receipt of Customer’s confirmation, QUALCOMM will close the Case and the RMA. If confirmation has not been received in thirty (30) days from date of shipment, QUALCOMM will close the case and the RMA accordingly.

This Procedure may change from time to time in QUALCOMM’s sole discretion. Customer should contact QUALCOMM for questions.

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

AMENDMENT NO. 1 TO THE MANUFACTURING SERVICES AND SUPPLY AGREEMENT

This Amendment No. 1 to the Manufacturing Services and Product Supply Agreement (this "**Amendment No. 1**") is made and entered into as of March 3, 2010 (the "**Amendment No. 1 Effective Date**") by and between **QUALCOMM Incorporated** having a place of business at 5775 Morehouse Drive, San Diego, California, 92121 ("**QUALCOMM**"), and **AIRCELL LLC**, a Delaware limited liability company, having a place of business at 1250 North Arlington Heights Rd. Suite 500, Itasca, IL 60143 ("**Customer**").

RECITALS

A. QUALCOMM and Customer entered into that certain Manufacturing Services and Product Supply Agreement dated as of September 4, 2007, as amended (the "**Agreement**").

B. QUALCOMM and Customer, now desire to amend the Agreement to reflect certain changes to the delivery and payment schedules.

C. Unless otherwise stated in this Amendment No. 1, all capitalized terms used herein but not defined herein shall have the meanings attributed to them in the Agreement.

AGREEMENT

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

Section 1. Amendment to the Agreement.

1.1 Amendment of Section 4.1. Section 4.1 of the Agreement shall be amended and restated in its entirety as follows:

"4.1 Price and Delivery Schedule. Customer agrees to purchase a minimum of [***] units of Product for QUALCOMM's manufacture hereunder. Customer shall purchase a minimum of [***] units during each year of this Agreement (a year being measured as the period between the anniversaries of the Effective Date) (the "Yearly Minimum Order Quantity"). Unless this Agreement is terminated earlier, QUALCOMM is obligated to manufacture up to [***] units of Product. The price of Product(s) purchased under the Initial Purchase Order and follow-on Purchase Orders is set forth on Exhibit B and stated in U.S. Dollars. QUALCOMM's

prices do not include any applicable sales, use, excise, value-added and/or withholding taxes, customs, duties, fees, freight, insurance and delivery charges, or any other taxes, fees or charges. [***].

1.2 Amendment of Section 4.2. Section 4.2 of the Agreement shall be amended and restated in its entirety as follows:

"4.2 Additional Orders For Product. During the Term and after QUALCOMM's delivery of the initial [***] units, Customer may issue additional Purchase Orders for Product up to a maximum of [***]. Customer shall take delivery of all units on the Purchase Order within One Hundred Fifty (150) days of placing a Purchase Order. Customer shall specify in writing delivery dates, delivery locations (either AP Labs or Formation) and delivery quantities at the time it places each Purchase Order with QUALCOMM. Customer's Business Aviation and Commercial Aviation Divisions shall place separate Purchase Orders. Customer shall deliver a new Purchase Order to QUALCOMM for a minimum of [***] units no later than One Hundred and Eighty (180) days after QUALCOMM's receipt of Customer's prior Purchase Order (the "Semi-Yearly Minimum Order Quantity"). Separate Purchase Orders from Customer's two divisions that are received by QUALCOMM within three (3) business days of each other may be aggregated to meet the Semi-Yearly Minimum Order Quantity. QUALCOMM shall use its commercially reasonable efforts to accept and ship additional units in excess of [***] units, but if QUALCOMM determines that it cannot deliver such excess units, it shall have no obligation hereunder to accept Purchase Order(s) for them."

1.3 Addition of Section 4.5. A new Section 4.5 of the Agreement shall be appended to the Agreement and shall read as follows:

"4.5 Production Halt. A "Production Halt' shall mean any period in excess of One Hundred Eighty (180) days during which Customer has not placed Purchase Orders for a minimum order quantity of [***] units. During a Production Halt, Customer shall compensate QUALCOMM for all idle labor and floor space associated with the Product at a daily rate of [***], up to a maximum monthly rate of [***], during all Production Halt periods. The Parties do not anticipate a change in these rates, however, should QUALCOMM determine in good faith that its costs will exceed the rates stated in the prior sentence for any Production Halt, then QUALCOMM shall present its rationale for increasing the rates to Customer and the Parties will mutually agree upon increased rates. When a Production Halt has begun, QUALCOMM may complete the delivery and invoicing for any outstanding units against open Purchase Orders received prior to the beginning of the Production Halt [***].

1.4 Amendment of Article 9. Article 9 of the Agreement shall be amended and restated in its entirety as follows:

“ARTICLE 9. MATERIAL PRE-BUY. In order to ensure the QUALCOMM has sufficient components to supply the Product to Customer, Customer and QUALCOMM shall agree to manage end-of-life (“EOL”) component procurement pursuant to this Article 9.

9.1 Pre-buy Procedures. Except for QUALCOMM-sourced EOL parts, Customer shall be responsible for tracking EOL parts, Customer and QUALCOMM shall both receive EOL material notifications for all components on the Product’s bill of materials. For any QUALCOMM-sourced EOL parts, QUALCOMM will provide Customer with timely notice on EOL issues, and for all other EOL parts, the Parties will be responsive to Customer’s request for regular calls or meetings. Customer shall issue a purchase order to QUALCOMM, and QUALCOMM shall pre-buy on Customer’s behalf and hold in a separate and protected inventory location, all Product EOL components for the Term. QUALCOMM shall invoice Customer for any purchases of Product EOL components. If Customer fails to issue a purchase order for an EOL component, and such component cannot be pre-purchased and becomes EOL without any stock, and QUALCOMM has complied with its obligations as outlined in this Section 9.1 and Section 9.2 below, QUALCOMM shall have no liability for any associated re-qualification or re-engineering costs.

9.2 Audit. The Parties will jointly conduct quarterly audits for EOL components held by QUALCOMM and owned by Customer. Should an audit find a discrepancy of the EOL components actually held by QUALCOMM against what Customer actually paid for, then the Parties will agree upon a reasonable plan of mitigation with all lost or stolen parts being replaced by QUALCOMM. Customer shall, upon QUALCOMM’s request, provide evidence of the invoices for payment of the EOL material. In the event that replacement components cannot be procured, QUALCOMM will at bear the cost of re-qualifying a replacement component and/or reengineer the Product for replacement components in order to meet its supply obligations hereunder.

9.3 Pre-buy Credit against Purchase Price. [***]

1.5 Amendment of Section 12.3. The first paragraph of Section 12.3 of the Agreement shall be amended and restated in its entirety as follows:

“12.3 Product Warranty. QUALCOMM warrants only to Customer that the Product (excluding the Software contained therein) will (a) be free from defects in material and workmanship under normal use as permitted hereunder and (b) conform to QUALCOMM’s specification PDD: 80-H3633-1. Rev. C for the Warranty Period of twelve (12) months beginning on the date of Customer’s acceptance of such Product. Product delivered to Customer’s business aviation division shall be warranted at the same level as the Product delivered to Customer’s commercial aviation division. QUALCOMM shall calculate and publish the RMA rate for actual failures found in Product delivered to Customer’s commercial aviation division on a bi-annual basis (on

August 1 and February 1), and such rate shall be used as baseline failure rate (the "Baseline Rate") for the subsequent one hundred eighty (180) day period for Product delivered to Customer's business aviation division. If Product delivered to Customer's business aviation division fail at a rate that exceeds the Baseline Rate, then those units of Product that comprise such excess shall not be covered by the Warranty described in this Section 12.3. With respect only to any units of Product delivered to Customer pursuant to Purchase Orders received by QUALCOMM prior to August 1, 2011, Customer may at any time prior to the expiration of the standard twelve month warranty, extend the Warranty Period for any units of Product by twelve (12) months by issuing a P.O. to QUALCOMM for an amount equal to the number of units for which Customer wishes to extend the warranty multiplied by [***]. Extended warranties shall not be available for units of Product delivered to Customer pursuant to Purchase Orders received by QUALCOMM on or after August 1, 2011."

1.6 Amendment of Section 12.3.2. The first paragraph of Section 12.3.2 of the Agreement shall be amended and restated in its entirety as follows:

"12.3.2 Product Warranty—Exclusions. No warranty, express or implied, shall extend to any Software or any Product which has been subjected to misuse, neglect, accident, or improper storage or installation or which has been repaired, modified, or altered by anyone other than QUALCOMM or QUALCOMM's authorized representative, other than in the standard manufacturing process, or any Software or any Product which has not properly protected from operating conditions outside of QUALCOMM product specification PDD: 80-H3633-1. Rev. C. In addition, unless approved in writing by QUALCOMM the warranty does not extend to any Product which is attached to or used with accessories, batteries, connectors, cabling or other items not provided or approved by QUALCOMM. Product is not specifically warranted to be appropriate for incorporation and use in any other product or for any use prohibited in the applicable Documentation. Customer hereby acknowledges and agrees that it has not relied on any representations or warranties other than those expressly set forth herein.

QUALCOMM hereby acknowledges that the Products will be incorporated into Customer's products. QUALCOMM further acknowledges that Customer's products are attached to or used with accessories, batteries, connectors, cabling or other items. QUALCOMM extends the warranty in Section 12.3 of the Agreement to such Products, so long as the Customer products, accessories, batteries, connectors, cabling or other items that such Products are attached to, used with or incorporated into properly protects such Products from operating conditions that fall outside those specified in QUALCOMM product specification PDD-80-H3633-1. Rev. C."

1.7 Amendment of Article 16. Article 16 of the Agreement shall be amended and restated in its entirety as follows:

“ARTICLE 16. TERM.

This Agreement shall commence on the Effective Date and shall terminate on August 1, 2014 (“Term”). QUALCOMM and Customer may mutually agree in writing to extend the Term.”

l.8 Amendment of Section 17.2. Section 17.2 of the Agreement shall be amended and restated in its entirety as follows:

“17.2. QUALCOMM may terminate this Agreement at any time after delivery of Products under the Initial Purchase Order if: (a) Customer fails to take delivery of a minimum of [***]. In the event QUALCOMM elects to terminate the Agreement pursuant to Section 17.2(a) or (b), it shall provide Customer with ninety (90) days prior written notice (the “Notice Period”). If during the Notice Period, Customer place Purchase Orders in quantities necessary to meet the minimum purchase commitments of [***] units, respectively, QUALCOMM shall withdraw its election to terminate the Agreement. QUALCOMM agrees that upon the termination of this Agreement for any reason whatsoever, Customer’s sole payment obligation is to remit payments to QUALCOMM relating to (x) any unpaid Purchase Orders accepted by QUALCOMM prior to such termination, regardless of whether the Products relating to such Purchase Order have been manufactured or shipped to Customer as of the date of such termination (although QUALCOMM shall complete the manufacture and shipment of any such ordered Products), and (y) any amounts owed for Production Halts as set forth in Section 4.5. Any payments due to QUALCOMM pursuant to the preceding sentence will be subject to the payment terms set forth in Section 4.3.”

1.9 Amendment of Section 17.4. Section 17.4 of the Agreement shall be amended and restated in its entirety as follows:

“17.4. In the event of termination of this Agreement for any reason, each Party may retain that furnished Material of the other Party necessary for maintaining the Product that has already been purchased hereunder and any deployed services associated with such Product. Any use of the other Party’s furnished Material for use other than the maintenance of existing Products and services is strictly prohibited. All Material held in the possession of the other Party shall continued to be subject to the terms and conditions of the NDAIn addition, QUALCOMM shall perform an audit within the ninety (90) days after the termination date of all pre-purchased materials. The Parties will mutually determine the best method for Customer to transfer all pre-purchased material to Customer or to a new third-party manufacturer for the purpose of manufacturing the additional [***] units of Product.”

Section 2. Effectiveness of Agreement: Acknowledgement of Non-Breach. Except as expressly provided herein, nothing in this Amendment No. 1 shall be deemed to waive or modify any of the provisions of the Agreement, or any amendment or addendum thereto. In the event of any conflict between the Agreement, this Amendment No. 1 or any other amendment or addendum thereof, the document later in time shall prevail.

Each Party acknowledges and agrees that, as of the Amendment No. 1 Effective Date, the other Party has not materially breached any obligation under the Agreement, and that it has no knowledge of any other basis for termination of the Agreement.

Section 3. Counterparts and Facsimile Delivery. This Amendment No. 1 may be executed in two or more identical counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute this Amendment No. 1 when a duly authorized representative of each Party has signed a counterpart. The Parties may sign and deliver this Amendment No. 1 by facsimile transmission. Each Party agrees that the delivery of this Amendment No. 1 by facsimile shall have the same force and effect as delivery of original signatures and that each Party may use such facsimile signatures as evidence of the execution and delivery of this Amendment No. 1 by all Parties to the same extent that an original signature could be used.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have caused this Amendment No. 1 to be duly executed as of the date first written above.

QUALCOMM Incorporated

By: /s/ Ahmad Jalali

Name: Ahmad Jalali

Title: VP Tech.

AIRCELL LLC

By: /s/ Joe Cruz

Name: Joe Cruz

Title: EVP, CTO

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

AMENDMENT NO. 2 TO THE MANUFACTURING SERVICES AND SUPPLY AGREEMENT

This Amendment No. 2 to the Manufacturing Services and Product Supply Agreement (this "**Amendment No. 2**") is made and entered into as of April 8, 2011 (the "**Amendment No. 2 Effective Date**") by and between **QUALCOMM Incorporated** having a place of business at 5775 Morehouse Drive, San Diego, California, 92121 ("**QUALCOMM**"), and **AIRCELL LLC**, a Delaware limited liability company, having a place of business at 1250 North Arlington Heights Rd. Suite 500, Itasca, IL 60143 ("**Customer**").

RECITALS

A. QUALCOMM and Customer entered into that certain Manufacturing Services and Product Supply Agreement dated as of September 4, 2007, as amended by that certain Amendment No. 1 dated as of March 30, 2010 (the "**Agreement**").

B. QUALCOMM and Customer, now desire to further amend the Agreement to eliminate contractual minimum quantities and to include the ability to manufacture and sell a new generation of the Product.

C. Unless otherwise stated in this Amendment No. 2, all capitalized terms used herein but not defined herein shall have the meanings attributed to them in the Agreement.

AGREEMENT

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

Section 1. Amendment to the Agreement.

1.1 Amendment of the Definition of Product. The definition of the term "Product" set forth in Article 1 of the Agreement shall be amended and restated in its entirety as follows:

""**Product**" means (i) the modem card described in that certain AirCell Aircard Product Definition Document dated July 2, 2007 Revision #C, including Software, manufactured, assembled, provisioned and programmed by QUALCOMM in compliance with the requirements of this Agreement and the applicable Design Documentation (the "**Original Aircard**") and (ii) the modem card described in that certain AirCell Aircard Product Definition Document developed in connection with the Statement of Work agreed to by the Parties in that certain Amendment No. 2 to the Development Agreement dated as of

even date with this Amendment No. 2 (the "**New Aircard**"), including Software, manufactured, assembled, provisioned and programmed by QUALCOMM in compliance with the requirements of this Agreement and the applicable Design Documentation.

1.2 Amendment of Section 4.1. Section 4.1 of the Agreement shall be amended and restated in its entirety as follows:

"**4.1 Price and Delivery Schedule.**
Customer intends to purchase a minimum of [***] units of Product for QUALCOMM's manufacture hereunder. Unless this Agreement is terminated earlier, QUALCOMM is obligated to manufacture up to [***] units of Product. The price of Product(s) purchased under the Purchase Orders is set forth on Exhibit B and stated in U.S. Dollars. QUALCOMM's prices do not include any applicable sales, use, excise, value-added and/or withholding taxes, customs, duties, fees, freight, insurance and delivery charges, or any other taxes, fees or charges. [***].

1.3 Amendment to Section 4.2 (as amended by Amendment No. 1 to the Agreement.) The following sentences are added to the end of Section 4.2:

"For the first Purchase Order issued (expected around August 2011) by Customer subsequent to the Effective Date of this Amendment No. 2, Customer is obligated to purchase [***] units of the Original Aircard.

For the second Purchase Order issued (expected around February 2012) by Customer subsequent to the Effective date of this Amendment No. 2, Customer shall [***] units of the New Aircards to be delivered as soon as such units become commercially available.

QUALCOMM shall be obligated to sell and Customer shall be entitled to place orders for the Original Aircard up until the date that is six months after the date on which QUALCOMM first delivers commercial versions of the New Aircard to Aircell."

1.4 Amendment of Section 9.3. Section 9.3 of the Agreement shall be amended and restated in its entirety as follows:

"**9.3 Pre-buy Credit against Purchase Price.** After the first [***].

1.5 Amendment of Section 12.3. The first paragraph of Section 12.3 of the Agreement shall be amended and restated in its entirety as follows:

"**12.3 Product Warranty.** QUALCOMM warrants only to Customer that the Product (excluding the Software contained therein) will (a) be free from defects in material and workmanship under normal use as permitted hereunder and (b) conform to either QUALCOMM's specification PDD: 80-H3633-1. Rev. C or QUALCOMM's specification PDD for the New Aircard, as applicable, for the Warranty Period of twelve

(12) months beginning on the date of Customer's acceptance of such Product. Product delivered to Customer's business aviation division shall be warranted at the same level as the Product delivered to Customer's commercial aviation division. QUALCOMM shall calculate and publish the RMA rate for actual failures found in Product delivered to Customer's commercial aviation division on a bi-annual basis (on August 1 and February 1), and such rate shall be used as baseline failure rate (the "Baseline Rate") for the subsequent one hundred eighty (180) day period for Product delivered to Customer's business aviation division. If Product delivered to Customer's business aviation division fail at a rate that exceeds the Baseline Rate, then those units of Product that comprise such excess shall not be covered by the Warranty described in this Section 12.3. With respect only to any units of Product delivered to Customer pursuant to Purchase Orders received by QUALCOMM prior to August 1, 2011, Customer may at any time prior to the expiration of the standard twelve month warranty, extend the Warranty Period for any units of Product by twelve (12) months by issuing a P.O. to QUALCOMM for an amount equal to the number of units for which Customer wishes to extend the warranty multiplied by [***]. The minimum number of units for which Customer may purchase an extended warranty shall be [***].

1.6 Amendment of Section 12.3.2. The first paragraph of Section 12.3.2 of the Agreement shall be amended and restated in its entirety as follows:

"12.3.2 Product Warranty—Exclusions. No warranty, express or implied, shall extend to any Software or any Product which has been subjected to misuse, neglect, accident, or improper storage or installation or which has been repaired, modified, or altered by anyone other than QUALCOMM or QUALCOMM's authorized representative, other than in the standard manufacturing process, or any Software or any Product which has not properly protected from operating conditions outside of QUALCOMM product specification PDD: 80-H3633-1. Rev. C or QUALCOMM's product specification for the New Aircard, as applicable. In addition, unless approved in writing by QUALCOMM the warranty does not extend to any Product which is attached to or used with accessories, batteries, connectors, cabling or other items not provided or approved by QUALCOMM. Product is not specifically warranted to be appropriate for incorporation and use in any other product or for any use prohibited in the applicable Documentation. Customer hereby acknowledges and agrees that it has not relied on any representations or warranties other than those expressly set forth herein.

QUALCOMM hereby acknowledges that the Products will be incorporated into Customer's products. QUALCOMM further acknowledges that Customer's products are attached to or used with accessories, batteries, connectors, cabling or other items. QUALCOMM extends the warranty in Section 12.3 of the Agreement to such Products, so long as the Customer products, accessories, batteries, connectors, cabling or other items that such Products are attached to, used with or incorporated into properly protects such Products from operating conditions that fall outside those specified in QUALCOMM product specification PDD: 80-H3633-1. Rev. C or QUALCOMM's product specification for the New Aircard, as applicable."

1.7 Amendment of Section 17.2. Section 17.2 of the Agreement shall be amended and restated in its entirety as follows:

"**17.2.** QUALCOMM may terminate this Agreement at any time after delivery of Products under any Purchase Order if: [***]. In the event QUALCOMM elects to terminate the Agreement pursuant to Section 17.2(a) or (b), it shall provide Customer with ninety (90) days prior written notice (the "**Notice Period**"). If during the Notice Period, Customer place Purchase Orders in quantities necessary to meet the minimum purchase commitments of [***] units, respectively, QUALCOMM shall withdraw its election to terminate the Agreement."

Section 2. Effectiveness of Agreement. Except as expressly provided herein, nothing in this Amendment No. 2 shall be deemed to waive or modify any of the provisions of the Agreement, or any amendment or addendum thereto. In the event of any conflict between the Agreement, this Amendment No. 2 or any other amendment or addendum thereof, the document later in time shall prevail.

Section 3. Counterparts and Facsimile Delivery. This Amendment No. 2 may be executed in two or more identical counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute this Amendment No. 2 when a duly authorized representative of each Party has signed a counterpart. The Parties may sign and deliver this Amendment No. 2 by facsimile transmission. Each Party agrees that the delivery of this Amendment No. 2 by facsimile shall have the same force and effect as delivery of original signatures and that each Party may use such facsimile signatures as evidence of the execution and delivery of this Amendment No. 2 by all Parties to the same extent that an original signature could be used.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereto have caused this Amendment No. 2 to be duly executed as of the date first written above.

QUALCOMM INCORPORATED

By: /s/ Ahmad Jalali

Name: Ahmad Jalali

Title: VP Tech.

AIRCELL LLC

By: /s/ Anand Chari

Name: Anand Chari

Title : VP - Engineering

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

Wireless Infrastructure Supply Contract

BETWEEN

ZTE USA, INC

AND

Gogo, LLC

CONTRACT NO. 2

August 2011

MASTER SUPPLY AND SERVICES AGREEMENT

This Master Supply and Services Agreement (the "Agreement") is entered into and made effective as of August 17, 2011 (the "Effective Date") by and between:

ZTE USA, Inc., (hereinafter referred to as "ZTE") having a place of business at 2425 North Central Expressway Suite 323, Richardson, TX 75080; and

Gogo LLC (formerly known as Aircell, LLC and hereinafter referred to as "Gogo") having its registered office at 1250 North Arlington Heights Road Suite 500, Itasca, IL 60143.

WHEREAS, ZTE is a manufacturer and/or supplier of certain telecommunications equipment, hardware, and associated materials, exclusive of software content, related software licenses, and/or installation, engineering and training services.

WHEREAS, Gogo desires and has requested ZTE to:

1. modify certain of its standard BTS and BSC software to incorporate Gogo supplied Qualcomm technologies; and features essential for Gogo's ATG-4 network operation (the "ATG-4 Network"). Such EV DO Rev B and related technologies are hereinafter referred to as "ATG-4 Products" or "Products";
2. supply Gogo with such ATG-4 Products for the ATG-4 Network;
3. support, as needed, in the installation, integration, optimization and commissioning of the **ATG-4** Network (the "Project Services");
4. provide extended warranty and other optional services after the commission of the ATG-4 Network (the "W&S Services"); and
5. supply Gogo and its designated partner with the ATG-4 Products for the expansion of the ATG-4 Network in the future.

NOW, THEREFORE, in consideration of the foregoing premises and the covenants herein contained the parties agree to be bound as follows:

1. Relationship to prior agreement

This contract supersedes and replaces the first Master Supply and Services Agreement dated June 26, 2007 and related amendments (the "First Master Agreement"). Any minimum purchase commitment made by Gogo and any penalties agreed to by Gogo under the previous agreements no longer apply.

If there is a conflict between this agreement and any other agreement/amendment, the terms of this Agreement shall govern.

2. Listing of Schedules

The following Schedules are attached hereto and shall be deemed applicable to and incorporated into this Agreement:

Schedule 1 “Description of Project”
Schedule 2 “Statement of Work”
Schedule 3 “Product Specifications”
Schedule 4 “Acceptance Test Procedures and Records”
Schedule 5A “Project Bill of Quantities for Initial Deployment”
Schedule 5B “Product Pricing Schedule for Additional Product Purchases”
Schedule 5C “Spares Price List”
Schedule 5D “Discount and Minimum Purchase Commitment”
Schedule 6 “Gogo Customer Care Services”
Schedule 7 “Acronyms and Definitions”

3. The Project

Gogo intends to upgrade and implement an enhanced Air to Ground Communications System project (“The Project”) as described in **Schedule 1 “Description of Project”**. In connection therewith, the parties shall perform those certain respective obligations and tasks as described in **Schedule 2 “Statement of Work”** and in accordance with the terms hereof.

Price of the ATG-4 Products for The Project is listed in **Schedule 5 “Project Bill of Quantities for Initial Deployment”**.

4. Payment for Certification of ATG-4 BTS

[***]

5. Price of the Project

[***]

6. Payment Terms

[***]

7. Shipment

The shipment of the ATG-4 Products ordered from Schedule 5B and 5C subsequent to the Project shall be in accordance with the following:

a) Shipment Schedule: determined at the time of order placement

b) Shipment Port of Entry: determined at the time of order placement

c) [***]

d) Shipment Method: FOB Shenzhen P.R. China unless other shipment methods are requested by Gogo.

e) [***]

f) [***]

g) [***]

h) Transshipment is allowed

i) Partial shipment is allowed, with Gogo's prior consent, as long as all Products ordered are shipped by the date agreed.

j) ZTE shall pack the equipment for shipment in strong wooden case(s) or in carton(s) suitable for long distance transportation and the change of climate, well protected against moisture and shock. The packing marking and documentation within and outside the packing shall be in accordance with ZTE's standard practice for export shipment and shall meet all required packaging for US Port of Entry and delivery to Gogo's final designated destination.

8. Orders Pricing and Terms

Gogo and ZTE agree on the following pricing and terms for the ATG-4 Products:

[***]

9. Transfer of Title

ZTE shall have a purchase money security interest in the ATG-4 Products in accordance with applicable local law, until full payment of all undisputed amounts for the ATG-4 Products are made. Upon payment in full as outlined herein, ZTE will timely transfer title to Gogo and release all security interests in the ATG-4 Products.

Title to the Software as described herein shall at all times remain with ZTE, or with the various suppliers to ZTE whose software or software components are contained in the Software and whose rights of ownership are maintained through restrictive agreements with ZTE.

10. Security Interest

It is understood that ZTE retains a purchase money security interest in all items delivered to Gogo until payment in full of all undisputed amounts and Gogo agrees that during such period that said security interest is in effect, it will keep such items free and clear of all other prior liens and claims of any kind, that it will not remove or deface any labels or other markings evidencing the security interest of ZTE and that it will not move such items from the final operational delivery destination without ZTE's consent.

11. Software License

ZTE hereby grants to Gogo, and Gogo accepts, a perpetual, non-exclusive, non-transferable and restricted right and license to use the Software comprising the subject matter of a purchased Software License, further subject to the provisions and limitations as set forth below:

a) the Software and any supporting documentation furnished hereunder is to be used by Gogo for its own business activities solely in conjunction with the normal and intended use and operation of the Products purchased hereunder, the Products and Software together constituting a Licensed System;

b) the right of Gogo to use the Software is now and throughout the term of the license contingent upon the payment by Gogo to ZTE of the purchase price for the Product that is part of the Licensed System on which the Software is running as set forth in Schedule 5A, 5B and 5C;

c) licensed use is limited to the executable software as delivered by ZTE to Gogo and does not permit modification or use of any modified form of the Software, notwithstanding any claim by Gogo of any defect in the Software; Gogo may not duplicate the Software, except to make a backup copy of the software for use in the event of system failure;

d) the Software and any documentation furnished are the property of ZTE and are to be considered ZTE proprietary information; Gogo shall not disclose, provide or otherwise make available the Software or documentation, or any part thereof, in any form, to any third party other than Gogo's contractors, before or after termination of this Agreement, except to Gogo's third party maintenance providers or ATG-4 Network suppliers who have a need to know, have been informed of the confidential nature of the ZTE proprietary information, and are bound by confidentiality obligations substantially equivalent to those contained herein, or to any other third party as may be permitted in writing by ZTE; Gogo shall immediately notify ZTE, in writing, of any knowledge that any unlicensed party possesses the Software or documentation; Gogo shall safeguard said Software and documentation with the same degree of care used to protect its own proprietary information, but in no case less than reasonable care;

e) the Software provided to Gogo under this Agreement is in object code format; ZTE expressly prohibits, and Gogo agrees to refrain from, any attempt by Gogo or Gogo's agent(s) to tamper with, disassemble, reverse compile, reverse engineer, or, in any similar way, expose the actual instruction sequences, internal logic, protocols, algorithms or other intellectual property represented within the Software, which ZTE considers to be its proprietary information and trade secret whether or not said intellectual property is included in any patent or copyright; any product derived from, or resulting from, such effort by Gogo or any other party shall be deemed the property of ZTE, for which no right to use is granted to Gogo herein and for which ZTE shall bear no obligations for support;

f) this Software License, and the rights and obligations of Gogo shall not be, assigned, sub-licensed or otherwise transferred or disposed of, including by operation of law, in whole

or in part, by Gogo unless consented to in writing by ZTE; except that Gogo shall have the right to assign this Software License to a successor of Gogo pursuant to a merger or sale of substantially all of its assets, or in association with a resale of a Licensed System or related services to an end-user, to sublicense the use of the Software to such end-user pursuant to a software license agreement containing terms substantially similar to those contained herein;

g) the license granted herein shall continue for so long as the Licensed System upon which the Software is running remains in service by Gogo, unless Gogo is past due with payment of applicable purchase price for the Product related to the Licensed System as set forth in Schedule 5A, 5B and 5C or is in breach of or in material violation of any of the terms of this Section 10, in which event the license granted herein shall terminate upon written notification thereof to Gogo by ZTE if Gogo has not cured the breach or material violation within 60 days after receipt of ZTE's written notice; upon termination of the license, all use of the Software by Gogo shall immediately cease and all copies of the Software and related documentation shall be immediately returned by Gogo at its expense to ZTE.

12. Taxes

Prices for Products, Software Licenses and/or Installation or Training Services do not include any state, federal, national, county or local sales, use or excise taxes, or customs duties (or other duties, fees, or similar charges however designated) applicable to this transaction, and, unless otherwise agreed by the parties in the shipping terms, Gogo expressly agrees to pay the amount of any such taxes or duties that may be imposed. ZTE agrees to act as the shipping agent for Gogo for all shipping related taxes referenced herein.

13. Termination for Failure to Pay

If after Gogo's receipt of written notice of default and after a 60 day opportunity to cure, Gogo fails to make payments of any sum due hereunder, ZTE will have the right at the end of the 60 day cure period to immediately terminate this Agreement, cease all further performance and, with reasonable prior notice and process of law, enter Gogo's premises for the purpose of repossessing and removing any items subject to a security interest in favor of ZTE and all ZTE-owned Products and the related Software. ZTE's termination of this Agreement or such taking of possession will be without prejudice to any other rights and remedies that ZTE may have. Gogo's obligation to pay all ZTE invoices as may be accrued will survive any termination action.

14. Warranty and Support Services

ZTE agrees to provide Warranty and Support Services ("W&S Services") as follows:

[***]

ZTE will provide the following W&S Services to Gogo:

[***]

[***] ZTE will provide Gogo with a quarterly review of W&S Services and Gogo system operations including, but not limited to, average response tie to issues, uptime percentages and a schedule to address Gogo's issues of concern.

Pricing and Terms

a) Basic and Extended Care Services / ARR Fees and Terms. Fees applicable for the Basic and Extended Care Service and Advance Repair and Return are either included in the purchase price or priced as percentage of the purchase price of each NE specified in Schedules 5A, 5B and 5C (and includes both the hardware and software components of each NE) on a per annum basis. All Products purchased by Gogo within the duration of the W&S Service Term are subject to the Basic and Extended Care Services / ARR fees, including NE Components, except:

1) any NEs permanently removed from commercial use or lab use permanently in its entirety. Gogo will notify ZTE in writing of any products permanently removed from service. ZTE reserves the right to verify such removal.

2) spare parts stock purchased by Gogo for the purpose of maintenance of its network.

[***]

b) On-site Engineering Services Fees and Terms.

On-site engineering services can be provided with the following terms:

[***]

c) Training Services Fees and Terms.

[***]

d) EVDO Rev A upgrade to Rev B service fees and terms

[***]

Payment Calculation and Terms

[***]

Early Termination

Gogo may terminate the W&S Service Term for convenience with 180 days advance notice in writing to ZTE. [***]

ZTE may terminate W&S Service Term for cause with 180-day advance notice in writing to Gogo. Gogo may seek remedial action within 60 days of receipt of such termination notice. Termination for cause by ZTE under this Section is limited to: delinquent in payment, fraudulent use of the services offered.

Gogo may terminate W&S Service Term for cause with 180-day advance notice in writing to ZTE. ZTE may seek remedial action within 60 days of receipt of such termination notice. Termination for cause by Gogo under this Section is limited to: chronic failure to perform by ZTE, chronic underperformance by ZTE.

Mediation for Failure to Perform or Underperformance by ZTE

If Gogo determines that ZTE has failed to perform or underperformed in delivering the W&S Services offered by ZTE hereunder, Gogo shall notify ZTE in writing. Within two (2) business days of the receipt of such notice, the parties will jointly investigate the reason for such determination and complete the investigation within fifteen (15) business days. If the outcome of the investigation determines that ZTE is at fault, then this shall be counted as one occurrence of Failure to Fulfill SLA.

If 3 instances of Failure to Fulfill SLA occur within 3 consecutive months during the W&S Services Term, Gogo may withhold payment for the W&S Services without prejudice; until ZTE completes 3 consecutive months of service without any instance of Failure to Fulfill SLA.

If 3 instances of Failure to Fulfill SLA occur within 1 month during the W&S Services Term, ZTE shall credit Gogo in the amount equal to Gogo's payment obligation for 1 month.

Further:

(a) ZTE warrants that its Products, Software and/or Installation or Training Services that may be delivered pursuant to this Agreement:

1) Shall conform to and operate in accordance with its then current and customary descriptions and the Product Specification, and that its modified ATG-4 BTS product conforms to and operates in accordance with the Product Specifications in Schedule 3 as concerns RF frequency operation (including backward compatibility with all ATG or ATG-4 products but excluding any features or subsystems that were not developed by ZTE). Except for operating as set forth in the current and customary descriptions and the Product Specification, ZTE does not warrant the network performance of any of its Products in Gogo's ATG-4 Network.

2) ZTE warrants that the Software does not and will not contain any disabling procedures (as defined in the next sentence). "Disabling procedures" means any code or instructions that is capable of accessing, modifying, disabling, interfering with or otherwise harming the Software, the Product, any connected system, or any information resident on such a system, except in a manner that is intended for the functionality of the Product and fully disclosed in the documentation of the Software. For example, "disabling procedures" includes any virus or other malicious code, software lock, time bomb or trap door. Immediately upon discovery of any disabling procedures that may be included in the Software, ZTE will notify Gogo, and will take any action necessary to identify and eradicate such disabling procedures, and to carry out any recovery necessary to remedy the impacts of such disabling procedures, at ZTE's expense.

(b) ZTE will, at its option, repair, correct or replace any such defective Product of its manufacture or defective Software of its origin and supply, with new or equivalent Products or Software so as to make the Product or Software conform to this warranty and the applicable description and specifications, or take back the Product or Software and refund the price paid therefore by Gogo provided that:

1) The defective Product or Software is returned to ZTE at its designated location, transportation costs and risk of loss to be borne by Gogo, in accordance with ZTE's instructions including a Returned Material Authorization (RMA) which shall be promptly given; and

2) an inspection of the returned Products or Software by ZTE indicates the defect was not caused by abuse, or improper use, maintenance, repair, installation or tampering or alteration. ZTE may only refuse warranty service under this section if ZTE shows documentation acceptable to Gogo that the defect was caused by abuse or improper use, maintenance repair, installation or tampering or alteration.

3) Any equipment, accessory, or part repaired or replaced by ZTE pursuant to the terms of this warranty shall be returned to Gogo transportation, chosen by ZTE, prepaid and risk of loss borne by ZTE, and continue to be warranted for the remainder of the original warranty period plus the amount of time that the Product was out of service. Gogo will carry the burden to track and notify ZTE when the Product is out of service.

(c) ZTE warrants that its Installation, Training, Engineering, and W&S Services shall be performed in a good and workmanlike manner, and in accordance with industry standards, and that any related installation material supplied by ZTE shall be free from material defects in workmanship. If the Services provided shall be found defective within twelve months from the date of completion of said Services, ZTE shall fulfill this warranty through repair or replacement of any installation materials and/or correction of installation errors provided written notice of the claimed defect is given to ZTE promptly upon discovery and in any event, within the services warranty period.

THE FOREGOING WARRANTY AND SUPPORT PROVISIONS SHALL CONSTITUTE ZTE'S ENTIRE LIABILITY AND GOGO'S SOLE RIGHT AND REMEDY WITH RESPECT TO DEFECTIVE PRODUCTS, SOFTWARE, AND/OR INSTALLATION SERVICES, WHETHER CLAIMS ARE MADE OR REMEDIES ARE SOUGHT IN CONTRACT OR TORT OR UNDER ANY OTHER LEGAL THEORY (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE).

THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE PROVISIONS STATED HEREIN. THERE ARE NO WARRANTIES EITHER EXPRESSED OR IMPLIED OR ANY AFFIRMATION OF FACT OR REPRESENTATION EXCEPT AS SPECIFICALLY SET FORTH HEREIN.

15. Force Majeure

Neither ZTE nor Gogo shall be held responsible for failure or delay to perform all or any part of this Agreement due to acts of god including flood, fire, earthquake, hurricane, war, government prohibition. However, the party whose performance is affected by the event of Force Majeure shall give a notice to the other party of its occurrence as soon as possible but no later than 7 (seven) days after its occurrence.

If the event of Force Majeure event continues for more than 15 (fifteen) days, both parties shall negotiate the performance or the termination of this Agreement. If within 30 days after the occurrence of the event of Force Majeure, both parties cannot reach an agreement, either party has the right to terminate this Master Supply Agreement.

16. Substitutions and Modifications

ZTE reserves the right, at any time before delivery or acceptance, whichever is later, to modify, replace or substitute Products or their components of its manufacture, or materials procured from its suppliers, and relevant Software to be supplied, provided that such modification, replacement or substitution does not adversely affect the operational requirements or performance in accordance with the Product Specification or maintenance of the particular Products and Software to be delivered and will not result in additional charges to Gogo.

17. License and Permits

Except as set forth in Section 4, any licenses or permits required by any State, municipality or other governmental body to install, provide or operate the Products or Software or services furnished by ZTE shall be the responsibility of the Gogo.

18. Confidential Information

The terms and conditions of the Mutual Non-Disclosure Agreement dated as of June 16, 2005 between the parties ("NDA") shall apply to the use and disclosure of Confidential Information exchanged pursuant to this Agreement. The term "Confidential Information" as used in this Agreement shall have the same meaning as "Confidential Information" in the NDA. To the extent that the term stated in the NDA terminates prior to the termination of this Agreement, the parties agree that the term of the NDA shall be automatically extended to the term of this Agreement.

19. Assignment

In the absence of prior written consent, which consent will not be unreasonably withheld, conditioned or delayed, neither Party shall assign this Agreement, or any of its rights and obligations hereunder except that Gogo may assign this Agreement to a successor in interest pursuant to a merger or sale of substantially all of its assets. In connection with any assignment for which consent is given hereunder, the assigning Party shall in all respects continue to be bound by such obligations and shall remain liable to the other Party with respect to the subject matter of said assignment or delegation. Subject to the foregoing, the terms and conditions hereof shall pass to the benefit of, and be binding upon, the heirs, successors, administrators, executors and assigns of the parties.

20. Proprietary Rights; Patent Infringement

(a) **Proprietary Rights Ownership.** This section describes the ownership of the work product developed pursuant to this Agreement, and all intellectual property rights related thereto, including copyrights, trademarks, trade secrets, patents, moral rights, contract and licensing rights, and rights to enforce all of the foregoing ("Proprietary Rights") to the extent that such rights are protectable under applicable law.

"Technology" means any and all technical information (including ideas, techniques, designs, inventions, know-how, processes, algorithms and specifications). "Gogo Technology" means the Technology provided by Gogo to ZTE pursuant to this Agreement. "ZTE Technology" means the Technology that was in ZTE's possession prior to receipt of any Gogo Technology under this Agreement, and that ZTE uses in performing its services under this Agreement including the Software referenced in Section 11 above. "Project Technology" means the Technology, which is conceived, made, reduced to practice, or learned by ZTE, or jointly, in the course of work performed under this Agreement including, but not limited to, the NRE services as set forth in the Scope of Work. The Project Technology does not include the ZTE Technology or the Gogo Technology.

Gogo warrants that it owns, or has the right to use in accordance with this Agreement, all Gogo Technology. ZTE warrants that it owns, or has the right to use in accordance with this Agreement, all ZTE Technology (including the right to grant the license described in the next section with respect to any ZTE Technology that is owned by a third party).

The Gogo Technology is the exclusive property of Gogo. Gogo owns all right, title, and interest in Technology developed by or for Gogo independent of this Agreement (including improvements thereto).

The ZTE Technology is the exclusive property of ZTE. Gogo has no rights to use ZTE technology except pursuant to the license granted in Section 11. ZTE owns all right, title, and interest in Technology developed by or for ZTE independent of this Agreement (including improvements thereto).

The parties agree that the Project Technology will be jointly owned by Gogo and ZTE.

Each party grants to the other a perpetual, royalty-free, worldwide, exclusive license, with full rights of assignment its assignees, to use the Project Technology for the manufacture of products for Gogo. ZTE will promptly disclose to Gogo in writing all Project Technology.

ZTE will not (directly or indirectly) sell or use the Project Technology, or any new product derived from the Project Technology except to Gogo or a party designated by Gogo. This section does not apply to new products derived without use of the Gogo Technology or the Project Technology.

(b) **Patent Infringement.** ZTE agrees that it will defend at its own expense, all suits against Gogo for infringement of any copyright, patent, or similar third party intellectual property right covering, or alleged to cover, the use of ZTE Technology anywhere in the world, as defined above, in the form furnished by ZTE and ZTE agrees that it will pay all sums which, by final

judgment or decree in any such suits, may be assessed against Gogo on account of such infringement, provided that ZTE shall be given (a) immediate written notice of any claims of any such infringement and of any suits brought or threatened against Gogo and (b) authority to assume the sole defense thereof through its own counsel and to compromise or settle any suits so far as this may be without prejudice to the right of the Gogo to continue the use, as contemplated, of the Material furnished or to be furnished. If in any such suit related to the ZTE Technology is held to constitute an infringement and its use is enjoined, or if in the light of any claim of infringement ZTE deems it advisable to do so, ZTE may procure the right to continue the use of the same for Gogo, or replace the same with non-infringing Product or Software, modify same so as to be non-infringing

Gogo agrees that it will defend at its own expense, all suits against ZTE for infringement of any copyright, patent, or similar third party intellectual property right covering, or alleged to cover, the use of Gogo Technology anywhere in the world, as defined above, in the form furnished by Gogo and Gogo agrees that it will pay all sums which, by final judgment or decree in any such suits, may be assessed against ZTE on account of such infringement, provided that Gogo shall be given (a) immediate written notice of any claims of any such infringement and of any suits brought or threatened against ZTE and (b) authority to assume the sole defense thereof through its own counsel and to compromise or settle any suits so far as this may be without prejudice to the right of the ZTE to continue the use, as contemplated, of the Material furnished or to be furnished. If in any such suit related to the Gogo Technology is held to constitute an infringement and its use is enjoined, or if in the light of any claim of infringement Gogo deems it advisable to do so, Gogo may procure the right to continue the use of the same for the ZTE, or replace the same with non-infringing Product or Software, modify same so as to be non-infringing.

Gogo and ZTE agree to defend, all suits for infringement of any copyright, patent, or similar third party intellectual property right covering, or alleged to cover, the Project Technology anywhere in the world, as defined above, and any sums which, by final judgment or decree, may be assessed against either or both parties on account of such infringement, shall be born equally by both parties.

This section shall not expire upon termination of this Agreement, but shall remain in force and effect thereafter.

21. Governing Law and Binding Arbitration

This Agreement shall be governed by the laws (without giving effect to its conflict of laws principles) of the State of New York; and nothing in this Agreement affects any statutory rights of consumers that cannot be waived or limited by contract. Each parties expressly consents to the personal jurisdiction of the state and federal courts located in New York County for any lawsuit arising from or related to this Agreement. The parties expressly disclaim the applicability of the United Nations Convention for the International Sale of Goods. Should any dispute, claim or controversy occur between the parties arising out of or related to this Agreement, one party will give written notice of the dispute to the other party. The parties shall then, in the first instance, attempt to resolve such dispute or controversy in good faith by senior level negotiations with a view to resolving the dispute within a period of sixty (60) business days from the day notice of the dispute was given (the “Resolution Period”). If the parties are unable to resolve the dispute within the Resolution Period, either party may, pursue any remedy available to it in law or equity.

22. Limitation of Liability

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT NEITHER PARTY SHALL BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, REMOTE, OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO THE LOSS OF DATA, REVENUE OR PROFITS), EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE, RESULTING FROM OR ARISING OUT OF ITS PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT, OR FROM ANY FAULT, FAILURE, DEFICIENCY, OR DEFECT IN THE PRODUCTS, SOFTWARE, AND/OR SERVICES, OR FROM THE USE OF OR THE INABILITY TO USE THE PRODUCTS, SOFTWARE AND/OR SERVICES EITHER SEPARATELY OR IN COMBINATION WITH OTHER EQUIPMENT OR SOFTWARE, OR FROM ANY OTHER CAUSE.

FURTHER, EXCEPT FOR THE INDEMNITY SET FORTH IN SECTION 19, IN NO EVENT SHALL ZTE BE LIABLE UNDER ANY LEGAL THEORY OF RECOVERY OR FOR ANY OTHER REASON FOR LOSSES OR DAMAGES OF ANY KIND WHICH EXCEED THE PURCHASE PRICE PAID AND SERVICE FEES PAID BY Gogo HEREUNDER.

23. English Language Provision

ZTE agrees to provide Gogo with a project manager (PM) and an operations trainer (OT) fluent in the English language. The PM will be Gogo’s primary contact point and perform those responsibilities annotated in **Schedule 2 Scope of Work** - i.e., general manage the project and the personnel assigned to the project. All necessary documentation shall also be provided in the English language.

ZTE agrees that its support personnel providing W&S Services to Gogo will be fluent in the English language. Upon request by Gogo, ZTE agrees to immediately replace any support personnel providing W&S Services if Gogo indicates there is an English language fluency issue.

24. Headings

The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for convenience only, and neither those headings, nor their order or placement, shall be used in the construction and interpretation of this Agreement.

25. No Waiver

The failure of either party at any time to require performance by the other of any provision hereof shall not affect the right of such party to require performance at any time thereafter, nor shall the waiver of either party of a breach of any provision hereof be taken or held to be a waiver of a provision itself. No waiver or discharge hereof shall be valid unless in writing and signed by an authorized representative of the party against which such waiver or discharge is sought to be enforced.

26. Notices

All notices, requests, demands, claims and other communications shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly delivered four business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent for next business day delivery via a reputable nationwide overnight courier service, in each case to the intended recipient as set forth below:

If to ZTE:
2425 N. Central Expressway Suite 323
Richardson, TX 75080
Attention: EVP of Sales

If to Gogo:
1250 N. Arlington Heights Rd.
Suite 500, Itasca IL 60143
Attention: VP Engineering

With a Copy to:
1250 N. Arlington Heights Rd.
Suite 500, Itasca IL 60143
Attention: General Counsel

Either party may give any notice, request, demand, claim or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the party for whom it is intended. Either party may change the address to which notices, requests, demands, claims or other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

27. Entirety of Agreement –Modifications to Schedules

The provisions hereof are all of the terms, conditions and agreements of the parties regarding the sale of Products, and related Software Licenses and/or Installation Services and take the place of any pre-printed provisions that may appear anywhere on Gogo's Purchase Order, which provisions have been expressly rejected. No modification(s) or amendments to these terms and conditions will be valid unless stated in writing and signed by duly authorized representatives of both ZTE and the Gogo. All schedules may be amended from time to time upon mutual consent of the parties to add deliverables and for other matters.

28. Counterparts

This Agreement may be executed in any number of and each such counterpart shall be deemed to be an original instrument, but all such counterparts shall constitute one agreement.

29. Publicity

The Parties agree that neither Party will make any Public Announcement relating to this Agreement or any relationship existing between the Parties and any related Purchase Orders, or agreements without the prior written consent of the other Party.

30. Time is of the Essence

Both parties agree that time is of the essence hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names.

ZTE USA Incorporated

By: /s/ Joey Jia
Name: Joey Jia
Title: GM, ZTE USA

Gogo LLC

By: /s/ Michael Small
Name: Michael Small
Title: CEO

SCHEDULE 1

Description of Project

The project objective is to deploy Gogo's enhanced Air to Ground network (ATG-4) for commercial activity. Following is a general description of the ZTE's obligations for The Project. A specific description of each party's responsibilities is set forth in Schedule 2, "Statement of Work".

[***]

Throughout the term of this agreement, ZTE will support all current ATG-4 features. Any other technology/feature development required by Gogo will be completed by ZTE. During such instances ZTE will provide necessary support to supply and integrate such technology/feature. The parties will work together to resolve reasonable compensation for any additional development work and any such change will be approved by the parties in a modification to this Agreement pursuant to the terms of Section 27 of the Agreement.

[***]

SCHEDULE 2

Statement of Work

Please refer to the Statement of Work document which is attached and incorporated hereto and herein.

SCHEDULE 3

Product Specifications

The following documents are incorporated herein. The parties agree that they all have access to these documents.

a) Modification Specifications for ATG-4 BTS & BSS

b) ZXC10 CBTS I2 Datasheet.

c) ZXC10 BSCB Datasheet

d) ZXC10 PDSN Datasheet

e) ZXC 10 BS8800 Datasheet

f) ZXC10 BS8900 Datasheet

SCHEDULE 4

Acceptance Test Procedures and Records

Please refer to attached ZTE Acceptance Test Procedures.

Acceptance Testing

The objective of acceptance testing is to establish that the ZTE has satisfied the requirements of the Agreement, therefore mitigating the risk of defects or other inadequacies throughout the Project's operational lifetime. It occurs prior to ownership of the Project deliverable being handed over to Gogo, and is conducted in the intended operational environment, as opposed to the supplier's development environment.

Acceptance Testing Procedure

The time and resources allocated to acceptance testing are often limited; therefore the procedure needs to be efficient, repeatable and authoritative. The remainder of this section details the recommended acceptance testing procedure, which consists of three stages: planning, the test activity, and documentation.

Planning

Planning identifies the aspects of the Product to be tested, the level of manning required to operate the Product, and the anticipated duration of testing. Often a simple approach is taken, where testing of all functionality related to the Proposed is proposed. Agreement must be reached on data, including platform types and the location where testing will take place. Deployment and set-up of the test equipment, including data classification and network media compatibility, must also be considered.

Given that the Product interface shares connectivity with other components of the system, it is desirable to perform distributed system tests following preliminary acceptance of the stand-alone Product.

Test Activity

The test activity occurs at the Gogo facility and may spans several days, depending on the amount of testing proposed in the planning stage. The black box testing methodology, which evaluates the functionality or performance of the system irrespective of internal implementation details, is employed. Stimulating the black box with input actions and witnessing the resulting output examine the functional requirements.

The test case is a fundamental concept in testing, which identifies the expected output from a specific input. A test case is considered to pass if the output witnessed during the test execution matches the expected output, or is within the permitted tolerance range. Test cases are classified by the interface from which the expected output is generated:

- Configuration testing verifies that the Product can be configured appropriately for a distributed system test.

- Send testing verifies that network data sent by the Product complies with the relevant system standards.
- Receive testing verifies that the system responds correctly to network data generated by remote Products.

It is desirable to perform testing in the order listed above as this ensures that a passive analysis of the system’s capabilities is performed prior to stimulating it with network data.

Documentation

Following a test activity, a document is produced that details the results of testing. The report can be styled as either: a formal report that introduces the Product and describes the outcomes of the test activity, or a compilation of individual incident reports, where each cites the outcome of a specific test case, and is typically no more than a page.

Regardless of the style used, the result of each test case should be highlighted by severity, as shown below. Where a test case has failed, the potential impact on distributed system testing should be explored, and the input action and witnessed output noted, to aid the supplier in resolving the fault. Ultimately the report should indicate whether the Product is compliant, if it is compliant, an Acceptance Certificate will be issued to ZTE. If it is not compliant, Gogo will provide a written document to ZTE with recommendations for change. If significant faults are identified, the testing activity should be repeated to ensure that the supplier makes appropriate corrections.

- FAULT. Has potential to prevent interoperability with the system. Resolution is advised.
- ISSUE. Does not comply with the standard, or lacks some functionality. However this is unlikely to prevent interoperability with the system. Resolution is desirable.
- ACTION. The test data was insufficient to draw a firm conclusion. Further investigation is advised.

SCHEDULE 5A

Project Bill of Quantities for ATG-4 Deployment

[***]

Schedule 5B Product Pricing Schedule for Additional Product Purchases

[***]

Schedule 5C — Spares Price List

Spare parts for CBTS 12 and BSCB common part as listed as formerly agreed.

[***]

Schedule 5D Discount and Minimum Purchase Credit

[***]

SCHEDULE 6

Gogo Customer Care Services

Please refer to the Gogo Customer Care Services document for description of the Care Services Gogo is entitled to, which is attached and incorporated hereto.

Customer Care
Service Description

SCHEDULE 7

Acronyms & Definitions

Acronyms

AAA	Authentication Authorization Accounting
ARR	Advance Repair and Return service
ATG-4	Enhanced Air to Ground based on EV DO Rev B and related technologies
BSCB	Base Station Controller B
BSS SW	Standard BTS and BSC software incorporating third party technologies and features essential for the ATG-4 Network operation
BTS	Base Transceiver Station
CBTS 12	Compact Base Transceiver Station Indoor model 2
CBTS 01	Compact Base Transceiver Station Outdoor model 1
BS8800	SDR Based Transceiver Station Indoor model BS8800
BS8900	SDR Based Transceiver Station Indoor model BS8800
CSM	Cell Site Modem
HA	Home Agent
NRE	Non-Recurring Engineering
OMC	Operation and Maintenance Center
PDSN	Packet Data Service Node
NE	Network Elements as set forth in Schedules 5A – 5C
HW	Hardware
SDR	Software Defined Radio (Commonly used acronym to reference new BTS)
SW	Software
QoS	Quality of Service

Definitions

[***]

1 Project Objective:

[***]

2 Development Milestones

The following sets forth the Development Project milestones for ZTE and Gogo. ZTE's delivery and interim delivery dates are expected to be pulled in or pushed out accordingly if Gogo provides it's delivery earlier or later than the dates listed below. [***]

3 Payment Milestones

The following sets forth the Development Project milestones for ZTE and Gogo.

ZTE Milestones	Expected Date	Amount
Contract Signing	[***]	[***]
Milestones 2.1, 2.2, 2.3	[***]	[***]
Milestones 2.4.1	[***]	[***]
Milestones 2.4.2, 2.5	[***]	[***]

4 Signatures

ZTE USA Inc.	Date	/s/ Gogo LLC	Date

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

IRIDIUM GLOBAL SERVICE PROVIDER AGREEMENT (v. 12 14 01)

THIS IRIDIUM GLOBAL SERVICE PROVIDER AGREEMENT is dated as of July 23, 2002, (hereinafter the "Agreement"), and is by and between Iridium Satellite LLC, having its principal place of business at 1600 Wilson Boulevard, Suite 1000, Arlington, Virginia 22209 ("LLC"), and AirCell, Inc., having its principal place of business at 1172 Century Drive, Building B, Suite 280 Louisville, Colorado 80027-9417 ("Service Provider").

Whereas, Service Provider wishes to be authorized by LLC to sell Iridium Services and equipment on a nonexclusive global basis in those territories in which Service Provider is authorized to provide telecommunications services; and

Whereas, LLC desires to so authorize Service Provider.

NOW, THEREFORE, in consideration of the mutual agreements and understandings herein contained, the parties hereto agree as follows:

1. Certain Definitions

In addition to terms defined throughout this Agreement, as used herein the following terms shall have the following respective meanings:

"Confidential Information" means any confidential or proprietary information of either party that is clearly identified as "confidential" and/or "proprietary" by the disclosing party.

"Commencement Date" means the date on which Service Provider is notified by LLC that all conditions to Service Provider's qualification have been satisfied pursuant to Section 3 hereof.

"Default" shall include (i) the execution of an assignment for the benefit of creditors or the seeking of relief by either party hereto under any bankruptcy or similar debtor relief laws or (ii) the failure by Service Provider or LLC, as the case may be, to materially perform or observe any term hereunder, which failure has not been cured within thirty (30) days of the date of receipt of written notice of such failure from the complaining party.

"Government" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Iridium Services" means the Iridium mobile satellite communication services as offered from time to time by LLC.

"Iridium System Practices" or "ISP" means the rules set forth in Exhibit A hereto.

"ISU" and "Iridium Subscriber Unit" means the individual equipment units used by Iridium subscribers for purposes of initiating and receiving communications through the Iridium Satellite Communications System.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Government.

"PSTN" means a Public Switched Telephone Network.

"SIM" means a Subscriber Identity Module which contains customer information and, when used with an Iridium-certified ISU, enables access to the Iridium Services.

"Subscriber" means the Person who enters into an agreement with Service Provider for the right to access and use the Iridium Services.

"Tail Charges" mean the costs imposed by the PSTN for origination (delivery) and/or termination (receipt) of communications to or from the Iridium Satellite Communications System.

2. Appointment as Service Provider

LLC hereby appoints Service Provider as a nonexclusive provider of Iridium Services and authorizes Service Provider to market and sell Iridium Services and equipment on a non-exclusive global basis in those territories in which Service Provider is authorized to provide telecommunications services.

3. Service Provider Obligations

A. Immediately upon the execution of this Agreement, Service Provider will take all steps required to complete the process established by LLC for qualifying as an authorized Iridium Global Service Provider as generally described in Exhibit D hereto. Upon completion of qualification, LLC shall provide written notice to Service Provider of the Commencement Date established by LLC for this Agreement. In the event Service Provider fails to qualify within ninety (90) days from the date hereof (or sooner in the event LLC determines that Service Provider cannot, with the exercise of due diligence, meet the qualifications within such ninety day period), this Agreement shall thereupon be null and void and the parties shall be relieved and released from any further liability hereunder. LLC shall have sole discretion in determining whether to authorize Service Provider as an authorized Iridium Global Service Provider. Upon qualification, Service Provider shall use commercially reasonable efforts to market and sell access to and usage of Iridium Services to Subscribers pursuant to the terms of this Agreement. Service Provider shall provide Regular Reports to LLC as specified in Exhibit B hereto.

B. Service Provider shall obtain and maintain, at its own expense, all regulatory and legal licenses and certifications, Governmental or otherwise, necessary for Service Provider, its employees, agents and distributors to provide Iridium Services and equipment under the terms of this Agreement.

C. Service Provider shall perform all accounting, billing and collections activities necessary respecting its customers and shall be solely responsible for all expenses related to the performance of such services.

D. Service Provider shall be solely responsible for all taxes, tariffs and surcharges, if any, arising from the provision of Iridium Services by Service Provider to its customers. This includes but is not limited to Service Provider being responsible for payment or reimbursement of any goods and services taxes and income taxes, universal service levies, charges, levies, duties, withholding, usage or other fees which may be asserted against Service Provider or LLC by any local, state or national government entity with respect to or arising out of the provision of Iridium Services hereunder. All stated pricing set forth in Exhibit C is exclusive of all such taxes.

E. Service Provider shall provide its Subscribers with only LLC-approved ISUs. Service Provider shall acquire such Iridium Subscriber Units from either Iridium qualified manufacturers pursuant to terms established from time to time by LLC and the manufacturer or LLC, as directed by LLC. Service Provider shall pay all costs of shipping, including import duties, taxes and similar charges as well as transportation charges, insurance and other fees.

F. Service Provider shall pay LLC in accordance with the rates set forth in Exhibit C hereto. The rates specified in Exhibit C are subject to change upon thirty (30) calendar days' advance written notice from LLC.

G. Service Provider shall use commercially reasonable efforts to comply with the applicable ISPs set forth in Exhibit A hereto. Any proposed change or addition to the ISPs shall be at the sole discretion of LLC.

4. LLC Obligations

A. LLC will use commercially reasonable efforts to maintain the availability of Iridium Services for Service Provider and its Subscribers.

B. Service Provider will purchase SIM cards directly from the SIM card vendor. LLC will provide the Mobile Subscriber Integrated Services Digital Network (MSISDN) numbers as are reasonably required by the Service Provider to meet its anticipated Subscriber base.

5. Billing and Method of Payment

A. Payment Terms: LLC shall provide Service Provider with a monthly invoice in US dollars due for the provision of Iridium Services to Service Provider and Service Provider shall pay the full amount of such invoice in US dollars by electronic funds transfer, or by any other method which has been mutually agreed to by LLC and Service Provider in writing, within thirty (30) calendar days of the date of transmittal of such invoice.

B. Late Payment/Priority of Payments: Any amounts remaining unpaid after thirty (30) calendar days of the date of transmittal of an invoice shall be subjected to an additional late fee which shall be equivalent to [***] per annum of the overdue

balance. All payments made by Service Provider shall be applied in the following priority: (i) late fees; (ii) overdue amounts; and (iii) remaining balance. The failure of Service Provider to pay any sum owed hereunder within thirty (30) calendar days after date of transmittal of an invoice, and the continuance thereof for ten (10) calendar days after written notice has been given by LLC to Service Provider, shall constitute a default of this Agreement and shall entitle LLC to terminate this Agreement upon written notice to Service Provider.

C. Billing Disputes: Service Provider shall notify LLC of any disputed items within ninety (90) calendar days of the date of transmittal of an invoice. LLC shall review and respond to the billing dispute within ten (10) calendar days of receipt of the billing dispute. Any charges that LLC agrees were not charged correctly shall be credited to Service Provider if Service Provider has paid such charges. If LLC disagrees with a billing dispute, LLC shall give Service Provider notice of, and an explanation of, such disagreement within the time frame stated above ("Notice of Disagreement"). Thereafter, the billing dispute shall be subject to the dispute resolution procedure set forth in Section 18 of this Agreement; except that the Parties shall appoint responsible executives to resolve the matter within five (5) business days of receipt of the Notice of Disagreement, and the responsible executives shall use reasonable efforts to resolve the billing dispute within fifteen (15) business days of their appointment. Pending resolution of any such dispute, Service Provider shall not be relieved of its obligation for payment of all charges invoiced hereunder, including disputed items.

D. Price: The price for Iridium services are included in Exhibit C. LLC may modify these prices with 30 day notification.

6. Integration, Activations and Deactivations

The parties shall comply with all procedures governing the activation and deactivation of Iridium Services and equipment as set forth in the ISPs, and LLC may, in compliance with such ISPs, and in consultation with Service Provider (and through Service Provider if Service Provider so agrees), refuse to activate any Iridium Services or any SIM or MSISDN pair or deactivate or suspend all or part of any Service or SIM or MSISDN pair in the event of suspected fraud, loss of Iridium Subscriber Equipment or to avoid or correct any degradation or impairment of the Iridium Services.

7. Term of Agreement

This Agreement shall become effective upon the Commencement Date and shall continue for twelve months. This Agreement shall thereafter renew for successive twelve month terms unless terminated by either party by giving at least ninety (90) days' prior written notice to the other prior to the commencement of any renewal term.

8. Intellectual Property

A. LLC owns and controls the use of the Iridium brands and trademarks. LLC authorizes Service Provider and its distributors to use LLC's current or future brands and/or trademarks in accordance with and subject to the *Iridium Corporate Identity Guidelines: Co-Branding Graphic Standards for Iridium Service Providers* to be published from time to time by LLC. This right of use may only be implemented by Service Provider in its promotion and sale of Iridium Services.

B. Service Provider shall notify LLC without delay of any alleged third-party infringements of Iridium brands or trademarks, and Service Provider shall assist LLC in any action taken by LLC against such infringements, provided that Service Provider has or had contractual relations with such third parties. LLC hereby agrees to indemnify Service Provider against all claims and proceedings and reasonable expenses arising from infringement or alleged infringement of any third party's intellectual property rights by reason of Service Provider's exercising its rights under this Agreement to use LLC brands and trademarks and to provide Iridium Services. As a condition of this indemnity the Service Provider must: notify LLC promptly in writing of any allegations of infringement; make no admissions relating to the infringement or allegation of infringement; allow LLC to conduct all negotiations and proceedings and give LLC all reasonable assistance in doing so. LLC will pay Service Provider's reasonable expenses for such assistance.

C. All right, title and interest to all technology, technical information, trade secrets, inventions, patent applications and patents which are made by Service Provider, either solely or jointly, in the course of performance of this Agreement shall be assigned to and be the property of LLC, without any consideration being due on account thereof.

9. Relationship of Parties

A. This Agreement shall not constitute nor be construed as: (i) a principal/agent relationship, whether general, special or limited in nature; (ii) a joint venture; (iii) a partnership; (iv) an employment relationship; or (v) a franchise.

B. There are no implied or other standards of performance, guarantees or warranties except as expressly stated in this Agreement and any express or implied warranties or other terms implied by law, including but not limited to warranties of merchantability or fitness for any purpose or use are hereby expressly excluded and disclaimed to the fullest extent permitted by law. LLC shall not be liable to Service Provider, nor shall Service Provider make any claim against LLC, for injury, loss or damage sustained by reason of any unavailability, delay, faultiness or failure of the facilities and services to be provided by LLC pursuant to this Agreement. Service Provider agrees that it will include in any agreement to provide Iridium Services an explicit commitment on the part of the Subscriber to waive any right to make any claim against LLC for injury, loss or damage sustained by reason of any unavailability, delay, faultiness or failure of the facilities and services to be provided by LLC hereunder.

C. In no event shall either party hereto be liable to the other, whether in contract or tort or otherwise, for special, incidental, indirect or consequential damages, including without limitation lost profits or revenues, arising out of or resulting from the performance or non-performance of this Agreement. Neither party's officers, directors or shareholders or members shall have any personal liability under this Agreement.

10. Fraud

A. Service Provider agrees to notify LLC without delay if SIM cards have been lost, stolen, or have become unserviceable due to damage, or have been misused in any way. At the time the Service Provider becomes aware of such an instance, Service Provider agrees to suspend or deactivate the applicable MSISDN immediately.

B. Service Provider shall be responsible for all credit risk relating to its Subscribers and shall be liable for all charges arising from the use of SIMS or ISU Equipment assigned or otherwise made available to Service Provider pursuant to this Agreement. LLC shall exercise its reasonable best efforts, in accordance with applicable ISPs, to detect and inform Service Provider of any perceived fraudulent use of SIMs or ISU equipment made available to Service Provider and to take appropriate steps to suspend or terminate any SIM or deactivate other ISU equipment involved in such perceived fraudulent use. If Service Provider is in full compliance with the provisions of the ISP with respect to Security and Fraud Protection, including the prompt reporting to LLC of any lost or stolen SIM card, Service Provider shall be relieved of charges incurred as a result of subscription fraud resulting from a lost or stolen SIM card, such relief to be effective immediately upon receipt by LLC of notice of the lost or stolen SIM card.

11. Assignment of Rights

A. Service Provider shall not assign any of its rights or obligations hereunder to any Person without the prior written consent of LLC, which consent shall not be unreasonably withheld. This prohibition against assignment includes any change in control or ownership of Service Provider, provided, however, that Service Provider may assign its interest hereunder to a successor company subject to the ability of the successor company to make a reasonable showing of its ability to fulfill the obligations of Service Provider hereunder.

B. In the event of termination of this Agreement, LLC shall have the option to acquire, or have assigned to another designated service provider, the service contracts that Service Provider concluded with Subscribers. LLC shall have a period of thirty (30) calendar days from the effective date of such termination to notify Service Provider of its intention to exercise said option, subject to the conclusion of mutually acceptable reasonable terms, including price, for the acquisition of such service contracts, and the parties hereto agree to use commercially reasonable efforts to agree upon such reasonable terms. If the parties cannot agree, then such service contracts shall continue to be the property of Service Provider. The parties agree to use their commercially reasonable efforts to maintain the Subscribers' use of Iridium Services during the option period and for a period of sixty (60) calendar days from the date of termination of the option.

C. LLC may by written notice to Service Provider assign its interest hereunder, whether by sale of assets, merger or any other form of transfer, provided the assignee or transferee agrees in writing to assume all obligations of LLC hereunder. Further, any assignee, transferee or successor shall have the right to modify or expand the Iridium Services to be provided to Subscribers as long as such modified or expanded Iridium Services are functionally comparable or superior services to those presently offered by LLC.

12. Representations and Warranties.

A. The parties hereto acknowledge that their ability to provide Iridium Services is conditioned upon the continuing validity of operating licenses issued by Governmental authorities.

B. Each party to this Agreement warrants that as of the date of execution of the Agreement it has the necessary authority to lawfully enter into and perform its obligations pursuant to this Agreement.

13. Notices

All notices and other communications provided for in this Agreement shall be in writing and shall be sufficiently given if made (i) by hand delivery or by telecopier and (ii) by reputable express courier service (charges prepaid) or by registered or certified mail (postage prepaid and return receipt requested) (a) if to LLC, at the following address:

Iridium Satellite LLC
1600 Wilson Boulevard, Suite 1000
Arlington Virginia 22209
Attn. John R. O'Brien

and (b) if to Service Provider, at the following address:

Name: Todd Londa – CFO

Address: AirCell Inc.
1172 Century Drive
Bldg B, Suite 280
Louisville, CO 80027

or at such other address as either party shall have furnished in writing to the other. All such notices and other communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited with a reputable express courier service (charges prepaid); seven business days after being deposited in the mail, postage prepaid, if delivered by mail; and when receipt acknowledged (by a facsimile machine or otherwise), if telecopied.

14. Confidential Information.

A. The parties agree that, during and after the term of this Agreement, neither party, its Affiliates, employees, agents, or Persons otherwise associated with either party hereto, shall directly or indirectly, without the express prior written consent of the disclosing party, use, furnish, give away, reveal, divulge, make known, sell or transfer in any way Confidential Information of the disclosing party, other than for the performance of its duties hereunder or as outlined in the Non Disclosure Agreement previously executed by the parties ("NDA").

B. The parties acknowledge that any Confidential Information, which is covered in this Agreement or the NDA, that has been disclosed to it by the other has been disclosed solely for the performance of its duties hereunder and both parties agree that all Confidential Information provided by the other is the exclusive property of the disclosing party.

C. Each party agrees that if it is served with any form of legal process that would require disclosure of any Confidential Information, it shall, if permitted by law, before taking any action, immediately notify the other party which shall, in addition to the efforts, if any, of the party so served, have the right to seek to quash or limit the scope of such process. The parties agree to desist from taking any other action which is inconsistent with that of the other.

D. For the purposes of the Agreement, Information shall not be considered to be Confidential Information if the information is:

1. in or passed into the public domain other than by breach of this Agreement ; or
2. known to a receiving party prior to the disclosure by a disclosing party; or
3. disclosed to a receiving party without restriction by a third party having the full right to disclose; or
4. independently developed by a receiving party to whom no disclosure of Confidential Information relevant to such Information has been made.

15. Termination.

A. Right to Terminate.

Either party may terminate this Agreement at any time with immediate effect by giving notice to the other party if the other party is in Default as defined in this Agreement, and subject to any grace period specifically provided herein.

B. Post Termination Obligations.

Upon termination of this Agreement, in addition to its other obligations hereunder, Service Provider shall promptly discontinue all use of advertising matter, slogans, trademarks, trade names or other marks identified with LLC, shall immediately return to LLC all procedures manuals and related materials provided to Service Provider by LLC hereunder, and shall not do business under the Iridium name or any confusingly similar name or mark. Service Provider shall also submit a data file containing complete subscriber information for all subscriber contracts.

C. Remedies Cumulative.

It is agreed that the rights and remedies herein provided in case of default or breach by any party are cumulative and shall not affect, except as limited by this Agreement, any of the remedies that a party may have by reason of such default or breach. The exercise of any right or remedy herein provided shall be without prejudice to the right to exercise any other right or remedy provided herein, at law or in equity.

16. Descriptive Headings

The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

17. Severability and Waiver.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of the Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions will not be construed as a waiver or deprive that party of the right thereafter to insist upon adherence to that term or any other term of this Agreement.

18. Dispute Resolution/Arbitration.

A. In the event of any dispute arising under this Agreement, including any allegation of breach and any failure to reach mutual agreement hereunder, the parties shall refer the matter for consideration and solution by the responsible executives of the parties. Either party may commence such proceedings by delivering to the other party a written request for such a meeting. Such request shall describe the dispute and identify the requesting party's responsible executive for purposes of resolving the dispute. The party receiving such a request shall have seven (7) calendar days to designate its responsible executive for the dispute in writing to the requesting party. The responsible executives shall meet within fifteen (15) calendar days, at such time and place as may be mutually agreed to by the parties. The responsible executives shall use commercially reasonable efforts to resolve the dispute within fourteen (14) days following their meeting.

B. All controversies, disputes or claims arising out of or relating to this Agreement or breach thereof which has not be amicably settled by the parties shall be finally settled by arbitration held under the rules of the International Chamber of Commerce (hereafter referred to as the Rules). The place of arbitration shall be Washington D.C. The arbitration shall be conducted in the English language by three arbitrators. Each party shall be entitled to designate one arbitrator. The claimant shall nominate its arbitrator in its Request for Arbitration and the respondent shall nominate its arbitrator within twenty (20) days of receipt of the Request for Arbitration. The third arbitrator shall be designated in accordance with the Rules. In the event that either party fails to appoint an arbitrator, the rules in relation to appointment of arbitrators shall apply.

C. The arbitration award shall be final and binding on the parties and shall be enforced in accordance with its terms. In the course of such arbitration, this Agreement shall be continuously performed except with respect to the part

hereof which is the subject of, or which is directly and substantially affected by, the arbitration. In any such arbitration proceeding, any legal proceeding to enforce any arbitration award and any other legal action between the parties pursuant to or relating to this Agreement or the transactions contemplated hereby, both parties expressly waive the defense of sovereign immunity and any other defense based on the fact or allegation that it is an agency or instrumentality of a sovereign state.

D. Any monetary award shall be made payable in immediately available funds, in U.S. Dollars through a bank account selected by the recipient of such award, free of any withholding tax or other deduction, with interest thereon from the date the award is granted to the date it is paid in full at the prime rate of interest as reported from time to time in the U.S edition of the Wall Street Journal. The prevailing party to any arbitration conducted under this Agreement shall be entitled to recover from the other party, as part of the arbitral award or order, its reasonable attorneys' fee and other costs of arbitration.

19. Choice of Law

This Agreement shall be governed in accordance with the laws of the State of Delaware, United States of America, without regard to any provision that would result in the application of the laws of any other jurisdiction. The parties specifically disclaim the UN Convention on Contracts for the International Sale of Goods.

20. Entire Agreement; Rights of Third Parties.

This Agreement constitutes the entire agreement between the parties and supersedes any understandings, agreements, or representations by or between the parties, written or oral, made at any time prior to the Commencement Date, that may relate in any way to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns.

21. Foreign Corrupt Practices Act.

LLC and its operations are subject to the U.S. Foreign Corrupt Practices Act ("FCPA"), including the anti-bribery and corrupt payment provisions. Service Provider agrees to comply with the provisions of FCPA and to take no action that might cause LLC to be in violation of FCPA. Service Provider agrees to furnish to LLC at any time upon request copies of all records concerning matters under FCPA and to contact LLC immediately if Service Provider at any time has questions regarding the requirements and restrictions imposed by FCPA relative to performance by LLC hereunder.

Iridium Satellite LLC	**[Service Provider]**
Signature:	**Signature:**
/s/ John R. O'Brien	**/s/ W.L. Peltola**
Print Name: John R. O'Brien	**Print Name: W.L. Peltola** **Vice Pres., Sales & Marketing** **AirCell Inc.**

IRIDIUM SYSTEM PRACTICES

I. IRIDIUM SERVICES

1. LLC will provide Service Provider with Iridium product and service information. Service Provider will represent Iridium products and services in accordance with stated performance and functionality.
2. Service Provider will only release information to the public relating to the Iridium system or its performance pursuant to Iridium LLC approved guidelines.

II. IRIDIUM SUBSCRIBER EQUIPMENT

1. Iridium subscriber equipment shall be obtained only from an Iridium qualified manufacturer or from an Iridium qualified distributor. Service Provider shall be responsible for obtaining from LLC Capcodes required in connection with the acquisition of pagers and for ensuring that the Capcodes contained in any acquired pagers are identical to those originally submitted to the manufacturer. Service Provider will only distribute Iridium type approved equipment to Iridium subscribers.
2. Service Provider agrees to establish appropriate Iridium subscriber equipment and SIM card inventories based upon sales forecasts.
3. Service Provider will provide LLC its SIM Card orders for submission to the manufacturer.
4. Before distributing any Iridium subscriber equipment Service Provider will ensure that (a) Iridium subscriber equipment with an IMEI number is listed on the Local Equipment Identity Register (LEIR) and Centralized Equipment Identity Register (CEIR) White List, (b) the Iridium subscriber equipment has been type approved and (c) Iridium network access is approved.
5. Service Provider will obtain Iridium subscriber equipment in accordance with the terms set forth in the Iridium Product Sales Terms document. Any proposed change or addition to the Iridium Product Sales Terms shall be at the sole discretion of LLC.

III. CUSTOMER PROVISIONING AND ACTIVATION

1. Service Provider will not allocate SIM cards to its subscribers until it receives confirmation from LLC of successful loading of SIM Card Data into the LLC Business System.
2. Service Provider will allocate, where applicable, specific MSISDNs, ISDN-As and Capcodes, and SIM card serial numbers according to Iridium service type designations as determined by LLC. Certain ranges of numbers have been

designated for specific Iridium services and must only be utilized for those services (i.e. one range of MSISDNs has been designated for voice, and data, while another range of MSISDNs has been designated for messaging service).

3. Service Provider will observe an adequate quarantine period for the reuse of MSISDNs and other allocated Iridium numbers, as determined by LLC.
4. Using SPNet, Service Provider will submit, for each subscriber, a service activation request (through SPNet). If SPNet is unavailable, Service Provider will manually complete a Service Activation Request and fax it to LLC for processing.
5. Service Provider will validate the accuracy of all successful service activations and correct any erroneous or missing information. If the activation is unsuccessful, a request for activation shall be corrected and re-submitted via SPNet (or FAX if SPNet is not available).
6. Service Provider will maintain and communicate basic network related data on Iridium subscribers including, where applicable, IMSIs, Capcodes, MSISDNs, service types, feature selections, IMEIs, as well as Subscriber activation date, suspension date, deactivation date, and reactivation date.
7. An Equipment Identification Register (EIR) will be used by the Iridium System for Iridium subscriber equipment. The EIR is a database that specifies equipment status and is maintained to minimize fraud resulting from use of lost or stolen Iridium subscriber equipment. Service Provider will be responsible for notifying LLC of lost or stolen Iridium subscriber equipment and for implementing an EIR management process to be approved by LLC.
8. Service Provider and LLC will define procedures for the exchange of billing records and related information.
9. Service Provider acknowledges that LLC currently bills for satellite time in twenty second increments (with rounding up to the next higher increment) and this method of accounting and invoicing ("billed minutes of use") shall govern with respect to all invoicing, rather than actual minutes of use. Service Provider further acknowledges that LLC invoices for billed minutes of use are solely for outbound calls from the Iridium ISU and that notwithstanding that such invoices shall provide information as to minutes of use for incoming calls to an Iridium ISU, there is no charge for such calls, except as otherwise specifically provided in the Service Provider Agreement or Exhibit C to the Service Provider Agreement.

IV. CUSTOMER CARE

1. Service Provider will maintain, 24 hours a day 7 days a week, customer care services for its Iridium subscribers in order to respond to general inquiries, billing inquiries and provisioning or network issues.
2. LLC will provide support to the Service Provider for network issues.

3. Prior to taking any subscriber account-specific action or answering any subscriber account-specific inquiry, Service Provider in connection with such inquiries, will verify the following information:
    a. The caller's identity
    b. The caller's authorization to request account-specific information or make account changes
4. Service Provider will provide each Iridium subscriber with the customer care telephone number[s] of the Service Provider in the following formats:
    a. A predefined abbreviated code (e.g. *xxx or *yyy) which can be dialed from the Iridium Subscriber Unit (ISU).
    b. A direct dial telephone number in international format (i.e., country code, city code, etc.).
5. Service Provider, or its appointed suppliers, will program each Iridium SIM card prior to service activation with the Service Provider's direct dial customer care telephone numbers and the corresponding abbreviated codes for Service Provider.
6. Service Provider will provide its direct dial customer care telephone number to LLC.
7. Service Provider will keep LLC currently advised of any significant subscriber contract changes such as:
    a. Service offering/feature additions or removals
    b. Contract suspension/reactivation
    c. Contract deactivation
    d. Lost or stolen subscriber equipment/SIM Card
    e. Reason code for deactivation
8. Upon notification of lost or stolen Iridium subscriber equipment or SIM Card, Service Provider will promptly notify LLC so that the identified equipment can be blacklisted and the SIM card suspended or deactivated. When any Iridium subscriber equipment with an IMEI is reported lost or stolen, Service Provider must notify LLC within one hour of receiving the report.
9. Service Provider will attempt to resolve a subscriber's problem on the initial call. If Service Provider determines that a problem cannot be resolved at the Service Provider level, it will promptly create and submit a Trouble Ticket to LLC.
10. Service Provider shall prepare a Trouble Ticket for each Iridium subscriber call that identifies any problem with respect to call quality, disruption of service or network access and submit the Trouble Ticket to LLC.

11. If Service Provider originates a Trouble Ticket it is the only entity authorized to close that particular Trouble Ticket, based upon advice and clearance from LLC and when closing a Ticket, Service Provider will ensure that the identified problem and its resolution are documented and that the Subscriber is contacted and satisfied with the resolution.

12. Service Provider will attempt to resolve any subscriber billing inquiry or billing dispute on the initial call. If Service Provider cannot resolve a billing dispute, Service Provider will complete a Trouble Ticket. A copy will be made of the Subscriber's invoice and both the billing Trouble Ticket number and the items in dispute shall be noted on the copy of the invoice. The billing Trouble Ticket and related documentation of any unresolved billing inquiry will be submitted to LLC for review, and support if requested.

13. If Service Provider does not agree with the clearance of a billing Trouble Ticket by LLC, Service Provider should promptly contact LLC to request further investigation or assistance in the resolution of the billing issue.

V. CANCELLATION OF AGREEMENTS WITH SERVICE PROVIDERS

Upon cancellation or termination of the Service Provider Agreement, Service Provider will relinquish all unassigned Iridium MSISDNs, MINs, IMSIs, and Capcode numbers and return Iridium SIM cards in its inventory to LLC and discontinue use of the Iridium trademark and logo.

VI. LICENSE ACQUISITION

1. Service Provider agrees to use reasonable best efforts to assist LLC, when so requested, in its acquisition of any required L-Band license from national regulatory authorities.

2. Service Provider shall comply with all laws, regulations, standards, and codes applicable to its provision of Iridium services, and alert LLC to any potential impact that such compliance may have on the provision of Iridium services by Service Provider.

VII. TRADEMARK AND BRANDING GUIDELINES

LLC owns and controls the use of the Iridium brands and trademarks. Service Provider will use LLC's current or future brands and/or trademarks only as authorized by and provided for in the Iridium Graphics Standards. Any deviation from the Standards will require the prior written consent of LLC. Any written request will be submitted through LLC.

VIII. CALL INTERCEPT

Service Provider shall provide Iridium subscriber information to LLC, or to any authorized government entity, to the extent required to comply with national sovereignty requirements affecting Iridium services.

IX. SECURITY AND FRAUD PROTECTION

1. Service Provider will establish security measures to minimize the potential for any unauthorized or fraudulent access to the Iridium Business Support Systems (IBSS). LLC will provide Service Provider with the following types of security/fraud-related information:
    a. Any use of the Iridium system/network/services that appears in LLC judgment to be fraud-related and to require Service Provider participation in further investigation, and
    b. Identification of suspended Subscriber Identity Module (SIM) cards or other Iridium subscriber equipment that could impact Service Provider.
2. Service Provider will establish and implement an effective inventory security program to protect any Iridium subscriber equipment stored at the Service Provider's location, as well as on order or in transit from a manufacturer/distributor. An effective inventory security program will include:
    a. Positive identification of the subscriber, or the subscriber's authorized representative, prior to distributing any Iridium subscriber equipment or any Subscriber Identity Module (SIM) card that has been activated on the Iridium network.
    b. Periodic reconciliation of inventory records of purchases, receipts, and distributions of Iridium subscriber equipment against actual purchases, receipts, and distributions of Iridium subscriber equipment.
3. Service Provider will complete User Profile Parameter Forms for Usage Fraud provided to it by LLC and send the form to the LLC.
4. Service Provider will periodically assess the accuracy and effectiveness of the Usage Profile Parameters and submit any proposed changes to LLC.
5. Service Provider will promptly provide LLC with the following types of security/fraud related information that Service Provider becomes aware of:
    a. Confirmed subscription fraud involving the use of the Iridium System and Services.
    b. Any use of the Service Provider Intranet Solution (SPNet), Trouble Ticket System, and Operations Data Network (ODN) that appear in the Service Provider's judgment to be fraud-related and could adversely impact the security of Iridium operations.
    c. Identification of any lost or stolen Subscriber Identity Module (SIM) Cards and other Iridium Subscriber Equipment.
    d. Any unethical activity by Service Provider employees, vendors, dealers, agents and subscribers that could adversely impact Iridium operations.

6. Service Provider will not be relieved from payment due LLC for use of Iridium Services, or for use of other elements of the Iridium System, which result from fraud on the part of its subscribers or within the Service Provider organization.

X. FINANCIAL SETTLEMENT

A Subscriber's failure to pay (bad debt) will not relieve Service Provider of its obligation to pay LLC unless the refusal to pay is finally attributed to an interruption in the Iridium system.

1. Service Provider will have financial responsibility for the bad debt of its subscribers.
2. If Service Provider is legally obligated to collect taxes from its Iridium subscribers, the taxes shall be separately stated on each invoice and shall be added to the price charged.
3. If Service Provider is obligated by applicable tax laws to withhold a portion of any payment due LLC for Iridium gateway services, the payment amount shall be increased to an amount such that, after payment of the withholding amount to the appropriate authorities, the amount received by LLC is equal to the amount set forth on the invoice, including taxes.
4. Service Provider will take reasonable and legally permissible steps to minimize taxes charged and withheld for Iridium services.
5. At the inception of the Service Provider Agreement, Service Provider will furnish its most recent annual audited Financial Statement. In the event an audited Statement is not regularly prepared for Service Provider, it shall furnish its Financial Statement with a certification of accuracy by its Chief Executive Officer. Thereafter, Service Provider will provide, not more than monthly, updated financial information as reasonably requested by LLC.

Exhibit B

REGULAR REPORTS

1. Quarterly Reports

Service Provider shall provide to LLC within fifteen days after the end of each quarter, a written report specifying:

Service Provider’s marketing and sales activities in the preceding quarter

Competitor activities (if any) in such quarter

Identity of new Iridium subscribers

Demographic information about new subscribers

Chum rate (if any)

Service types(s)

Marketing and sales forecast for the forthcoming quarter

2. Confidentiality

All information provided pursuant to the Report requirements shall be subject to the Confidentiality provisions of the Agreement. In particular, information provided by Service Provider concerning identity of Subscribers is proprietary to and the sole and exclusive property of Service Provider and acknowledged by LLC to be of substantial value. Such information shall not be used by LLC in any form or manner to compete with Service Provider in the provision of mobile satellite communications service to such Subscribers. In the event of termination of the Agreement, the ownership and use of such information shall be strictly governed by the provisions of Section 11 of the Agreement.

3. Yearly Plan

Starting with the signature of this agreement and on September 30 of each year, Service Provider shall provide to Iridium a marketing and sales plan for the following calendar year, which plan shall be mutually agreed between Service Provider and Iridium and shall contain the envisioned marketing activities and the targeted figures of new subscribers and their services on a quarterly basis.

IRIDIUM SERVICES RATES

This annex gives a full set of Iridium wholesale prices (all prices in USD$).

CONTENTS

1. IRIDIUM SATELLITE

1.1. CHARGES FOR SATELLITE CALLS

The table below details call rates for outgoing calls via the Iridium satellite network. Prices are in USD($) and are shown on a per minute basis.

[***]

1.2. CHARGES FOR MONTHLY ACCESS

[***]

Note: All pricing is subject to change by Iridium with 30 days notice.

2. PSTN-ISU CHARGES

The table below details call rates for mobile terminated calls (incoming calls) to the Iridium satellite network. Prices are in USD($) and are shown on a per minute basis and reflect charges made to the Iridium subscriber.

[***]

3. VALUE ADDED SERVICES INCLUDED IN SIM CARD SUBSCRIPTION MONTHLY FEE

[***]

***Personal Mailbox is a value-added service also included in the stand-alone paging monthly subscription fee.**

4. FEES FOR UTILIZING CALL FORWARDING

[***]

5. ACTIVATION CHARGES

[***]

6. CHARGING PRINCIPLES

[***]

7. DEFINITIONS

ISDN-A	The Iridium pager number assigned to a paging subscriber
ISU	Iridium Subscriber Unit
ISU-PSTN	Call-type: Origination of a call via the Iridium satellite network terminating PSTN or PLMN.
ISU-ISU	Call-type: Origination of a call via the Iridium satellite network terminating another Iridium subscriber unit.
Iridium Satellite	Iridium Satellite Service gives the customer access to the Iridium satellite network

Iridium Paging	Iridium Paging Service gives the customer a global alphanumeric paging service via the Iridium satellite network
MSISDN	Mobile Subscriber Integrated Services Digital Network number (the Iridium phone number assigned to a voice subscriber)
MT	Mobile terminated
PSTN	Public Switched Telephone Network. The public, land-based telephone network.
PSTN-ISU	Call-type: Origination of a call via PSTN or PLMN terminating to an Iridium subscriber unit.
SIM	Subscriber Identity Module

IRIDIUM SATELLITE LLC SERVICE PROVIDER QUALITIES

1. Iridium Distribution Strategy

Iridium Satellite LLC (Iridium) products and services are sold around the world by a carefully selected group of service providers. These service providers were selected on the basis of their knowledge and familiarity with the commercial satellite communications marketplace, market sales coverage and their demonstrated successful history of selling such services. Additionally, Iridium service providers have an established network of dealers, agents and resellers who deal directly with customers for the sale of Iridium products and services.

Iridium's success is largely attributable to the establishment of its global distribution network that results in the sale of Iridium services together with the essential follow-on quality customer care. Iridium's distribution strategy also encompasses policies to ensure that the Iridium business remains attractive and profitable for its service providers. Accordingly, each candidate service provider is carefully evaluated, in addition to other considerations, in terms of ability to contribute to Iridium's success. In addition to a variety of other factors, careful consideration is given to whether the addition of such candidate as a service provider would complement Iridium's existing distribution network as well as add strategic value to Iridium's sales and service activities.

Beyond the critically important requirement of a contribution to Iridium's sales success, there are also essential business operations functions, which must be performed by each Iridium service provider. Those functions are briefly described in the following Sections 2 — 4.

2. Service Provider Functions

These functions can be performed within the Service Provider organization or outsourced via 3rd parties. Service Provider shall maintain:

Sales and Marketing functions

Customer Care functions, 365 x 24

- Separate number into customer care, with voicemail account
- Ability to answer: general inquiries, billing inquiries, general inquiries regarding Iridium Services, service/contract changes
- Ability to provide: technical and general troubleshooting for all Iridium Services: Satellite Voice, Paging, and Data
- Iridium products for use by customer support personnel to perform troubleshooting functions
- Customer support personnel have access to SPNet for account status information

- Customer history tracking database (either through billing system or separate systems)

Activation and Provisioning functions

- Trained personnel who are familiar with Iridium SPNet

Financial functions:

- Accounts Receivables
- Accounts Payable
- Invoicing — Revenue Assurance

IT

- Access to daily Call Detail Record files from Iridium via FTP site
- Billing, the billing system must be able to:
    - Accept Call Detail Records in the format of: NA TAP II, TAP II or CIBER

Trainer

- Responsible for attending Iridium's training and train own internal personnel
- Responsible to train own internal personnel on all aspects supporting the Iridium customer
- Ability and program to train dealers and agents (when applicable)

Product Logistics

- Ordering Inventory
- Tracking Inventory
- Shipping Inventory

3. Internet Access / Connectivity and Iridium Extranet Access for:

Customer Care organization

Provisioning and Activation organization

IT/Billing

Sales and Marketing

4. Training

At least 2 people from the operations organization within the company and/or the company's technical trainer to attend Iridium Operations training. The training encompasses both Activation and Provisioning of subscribers as well as Customer care and troubleshooting techniques.

At least 2 people from the sales organization within the company and/or the company's sales training manager to attend Sales training. The training encompasses the features and functions of Iridium's products and services and identifies the strengths of Iridium's product and service offering which differentiates it from competitor's offerings.

Iridium's training programs are conducted at Iridium's offices at Tempe, Arizona where the tools and facilities required to ensure proper training, as well as subject matter experts, are located. Under circumstances in which Arizona is not practical, Iridium will cooperate in exploring terms under which the training could be delivered in another location.

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

Exhibit C

IRIDIUM

Iridium Satellite LLC
1600 Wilson Boulevard, Suite 1000
Arlington, VA 22209
USA

T: +1-703-465-1000
F: +1-703-465-1038

July 30, 2003

Mr. Bill Peltola
VP of Sales and Marketing
Aircell, Inc.
1172 Century Drive
Building B, Suite 280
Louisville, CO 80027

Dear Mr. Peltola:

Attached please find a revised copy of Exhibit C to the Iridium Service Provider agreement. This copy incorporates the following changes:

[***]

Sincerely,

/s/ Ted O'Brien

Ted O'Brien
VP, Channel Development

cc: Robert Seeley

IRIDIUM SERVICES RATES

This exhibit sets forth a full set of Iridium wholesale prices (all prices in USD$).

CONTENTS

Note: All pricing is subject to change by Iridium Satellite LLC with 30 days notice.

Note: All pricing is subject to change by Iridium Satellite LLC with 30 days notice.

Exhibit C

Iridium Wholesale Pricing

This exhibit sets forth a full set of Iridium wholesale prices (all prices in USD$), two Volume Discount Plans and a Regional Pricing Plan. All pricing is subject to change by Iridium Satellite LLC with an advance 30-days notice.

1 Wholesale Prices

The tables below detail call rates for outgoing calls via the Iridium satellite network. Prices are in USD($) and are shown on a per minute basis.

1.1 *Charges for Satellite Voice Calls*

[***]

1.2 *Charges for Satellite Data Calls*

[***]

Note: All pricing is subject to change by Iridium Satellite LLC with 30 days notice.

1.3 Charges for Monthly access

[***]

1.4 PSTN-ISU Charges

The table below details call rates for mobile terminated calls (incoming calls) to the Iridium satellite network. Prices are in USD($) and are shown on a per minute basis and reflect charges made to the Iridium subscriber.

[***]

Note: All pricing is subject to change by Iridium Satellite LLC with 30 days notice.

1.5 Value Added Services Included in SIM Card Subscription Monthly Fee

[***]

1.5.1 Call forwarding Fees

[***]

1.5.2 Activation Charges

[***]

1.6 Charging Principles

[***]

1.7 Rules and Definitions

ISDN-A	The Iridium pager number assigned to a paging subscriber.
ISU	Iridium Subscriber Unit
ISU-ISU	Call type: Origination of a call via the Iridium satellite network terminating another Iridium subscriber unit.
ISU-Direct Internet	Call type: Circuit Switched data transmission via the Iridium satellite network terminating at Iridium's Internet Point of Presence (POP) in Tempe, Arizona.
ISU-PSTN	Call-type: Origination of a call via the Iridium satellite network terminating PSTN or PLMN.
Iridium Paging	Iridium Paging Service gives the customer a global alphanumeric paging service via the Iridium satellite network
MSISDN	Mobile Subscriber Integrated Services Digital Network number (the Iridium phone number assigned to a voice subscriber)
MT	Mobile terminated
PSTN	Public Switched Telephone Network. The public, land-based telephone network.
PSTN-ISU	Call-type: Origination of a call via PSTN or PLMN terminating to an Iridium subscriber unit.
SIM	Subscriber Identity Module

Note: All pricing is subject to change by Iridium Satellite LLC with 30 days notice.

2 [***]

2.1 *[***]*

[***]

2.2 [***]

2.3 [***]

[***]

3 Regional Pricing Plan — Australian Region

The following contains a full set of Iridium wholesale prices in the Australian Territory (all prices in USD$). The tables below detail call rates for calls via the Iridium satellite network inside the Australian Territory. Prices are in USD ($) and are shown on a per minute basis.

3.1 Charges for Iridium Calls — Inside the Australian Territory

3.1.1 Charges for Satellite Voice Calls

[***]

3.1.2 Charges for Satellite Data Calls

[***]

3.2 Charges for Iridium Calls — Outside the Australian Territory

3.2.1 Charges for Satellite Voice Calls

[***]

3.2.2 Charges for Satellite Data Calls

[***]

3.3 Charges for Monthly Access

[***]

Note: All pricing is subject to change by Iridium Satellite LLC with 30 days notice.

3.4 PSTN-ISU Charges

The tables below details call rates for mobile terminated calls (incoming calls) to the Iridium satellite network. Prices are in USD ($) and are shown on a per minute basis and reflect charges made to the Iridium subscriber.

3.5 Value Added Services Included in SIM Card Subscription Monthly Fee

[***]

3.5.1 Call Forwarding Fees

[***]

3.5.2 Activation Charges

[***]

3.6 Rules and Definitions

[***]

Note: All pricing is subject to change by Iridium Satellite LLC with 30 days notice.

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

IRIDIUM VALUE ADDED MANUFACTURER AGREEMENT

THIS IRIDIUM VALUE ADDED MANUFACTURER AGREEMENT is dated as of January 20, 2003 (hereinafter the "Agreement"), and is by and between Iridium Satellite LLC, having its principal place of business at 1600 Wilson Boulevard, Suite 1000, Arlington, VA 22209 USA ("LLC"), and AirCell, Inc., having its principal place of business at 1172 Century Drive, Suite 280B, Louisville, CO 80027 ("VAM").

Whereas, LLC has certain rights to distribute subscriber equipment that is capable of communicating over the Iridium Communications System;

Whereas, VAM is desirous of purchasing subscriber equipment from LLC for the purpose of integrating said equipment as part of an Iridium voice and/or data product as part of a vertical market targeted solution, thereby providing unique solutions for commercial resale;

Whereas, LLC desires to so authorize VAM.

Now, Therefore, in consideration of the mutual agreements and understandings herein contained, the parties hereto agree as follows:

1. Certain Definitions

In addition to terms defined throughout this Agreement, as used herein the following terms shall have the following respective meanings:

"Affiliate" means, with respect to the Parties, any company, firm, joint venture, partnership, or other entity of which either Party directly or indirectly owns or controls the power to vote a majority of the voting rights or over which either Party directly or indirectly has the power to exercise a controlling influence.

"Certification Letter" means LLC's written approval authorizing the commercial sale and use of the Product for accessing the Iridium Communications System as further defined in Exhibit B.

"Confidential Information" means any confidential or proprietary information of either party that is clearly identified as "confidential" and/or "proprietary" by the disclosing party.

"Default" shall include (i) the execution of an assignment for the benefit of creditors or the seeking of relief by either party hereto under any bankruptcy or similar debtor relief laws or (ii) the failure by VAM or LLC, as the case may be, to materially perform or observe any term hereunder, which failure has not been cured within thirty (30) days of the date of receipt of written notice of such failure from the complaining party.

"Effective Date" means the date first above written in this Agreement.

"End User" means the Person who enters into an agreement with a Service Provider for the right to access and use the Iridium Services with VAM's Product.

"Government" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Intellectual Property" or "IP" means the rights in trade secrets, know-how, discoveries, improvements, inventions, technical data, writings, software in whatever form and Confidential Information, patents, invention certificates and applications therefor, and copyrights and mask works and applications therefor.

"Iridium Communications System" means the complete integrated satellite-based, digitally-switched communication system being operated and maintained by LLC.

"Iridium Communications Equipment" or "ICE" means the individual equipment (including, but not limited to: Satellite Series (SS) 9500 Data Module, SS 9522 Sebring, antennae, cables and other related accessories) used by VAM for purposes of integrating into a Product to initiate and/or receive communications through the Iridium Communications System.

"Iridium Services" means the Iridium mobile satellite communication services as offered from time to time by LLC.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Government.

"Product" The unique value added product or application developed by VAM under this Agreement for commercial sale.

"Service Provider A nonexclusive provider of Iridium mobile satellite communication services to end users.

"SIM" means a Subscriber Identity Module which contains customer information and, when used with an Iridium-certified Product, enables access to the Iridium Communications System.

2. Appointment as VAM

A. LLC hereby appoints VAM as an authorized, non-exclusive reseller for LLC's ICE, in the form of Product(s), on a global basis and for those vertical markets in which VAM is authorized to sell the Products as further defined below.

B. VAM has been selected to enter into this Agreement based upon VAM's experience, capability and unique market position relevant to the following vertical market and or applications: air to ground communications.

C. VAM acknowledges that its right to resell the ICE under this Agreement is non-exclusive, and that, subject to the terms of this Agreement, LLC reserves the right to sell and distribute ICE to any customers in the world, and to appoint any third party to do so, without giving VAM notice thereof and without incurring any liability to VAM therefor.

3. VAM Obligations

A. [***].

B. VAM shall purchase ICE from LLC in accordance with LLC's published Product Sales Terms which are in effect as of the date of VAM's order for ICE. LLC's current Product Sales Terms will be published on the Iridium extranet available to VAM. Iridium may, from time to time and in its sole discretion, publish revisions to the Product Sales Terms and such revisions shall be in effect immediately upon their publication. Exhibit A identifies ICE which is available for purchase by VAM.

C. VAM shall be responsible for the design, development, supply, production, test, certification and performance of the Product in accordance with the terms of this Agreement.

D. Products shall be developed by VAM in accordance with commercially reasonable product engineering standards and shall generally address the following activities:

1. engineering design and analysis activities – VAM shall perform engineering design and analysis activities as necessary to develop and specify the form, features and operations of the Product;

2. preparation of controlling drawings and specifications – VAM shall develop and maintain Product documentation sufficient to define and control the Product, including bill of materials, fabrication drawings, assembly drawings, shipping specifications, and assembly instructions;

3. preparation of detailed verification and test plans – VAM shall implement a performance verification process comprised of integrated system and sub-system level tests. VAM's integrated test procedure shall contain a test verification matrix that shows verification method, test phase, and test procedure for each defined product requirement;

4. product labeling – VAM shall plan for external packaging of the Product which carries the Iridium brand and International Mobile Equipment Identity (IMEI) labeling. In lieu of IMEI labeling, VAM may have a simple method of extracting the IMEI over the serial interface. LLC shall have the right to approve VAM's application of the Iridium brand on the Product, which approval shall not be unreasonably withheld.

5. quality system – VAM shall follow a quality assurance program which addresses VAM's quality organizational structure, processes, procedures and controls as applicable throughout the Product development and manufacturing effort. At LLC's request, a written quality assurance plan documenting VAM's standard quality practices shall be submitted to LLC for review.

6. certification of the Product – VAM shall work with LLC to certify the Product for operation on the Iridium Communications System as further specified in Exhibit B;

7. industry and country certifications/approvals – VAM shall obtain all regulatory certifications as well as all country-by-country type approvals as necessary for the distribution and sale of the Product in the markets where LLC is authorized for distribution, sale and operation;

8. [***]

E. VAM shall be responsible for marketing and distributing Product subject to the terms of this Agreement. VAM will advertise and/or promote the Product(s) in a commercially reasonable manner and will transmit Product information and promotional materials to its customers as reasonably necessary. In carrying out its responsibilities hereunder, VAM

will conduct itself in an ethical and lawful manner, will exercise its best efforts to achieve a high level of customer satisfaction, and will do nothing to bring the reputation of LLC into disrepute.

F. VAM shall provide Regular Reports to LLC as specified in Exhibit C hereto.

G. VAM shall acquire the written consent of LLC prior to making any media releases, public announcements and/or public disclosures relating to this Agreement or the subject matter hereof, including, without limitation, promotional or marketing material referring to the Iridium Communications System. During the term of this Agreement, LLC may use and publish VAM's name in conjunction with its announcement and/or publication of participants in the LLC VAM program. Upon the agreement of the Parties, either Party may provide collateral marketing materials to the other Party from time to time as available.

H. As requested by LLC, VAM shall provide electronic versions of Product documentation to LLC for Internet publication. LLC's Internet presence includes a public commercial Internet website and a secure private "extranet" website which is accessible by LLC authorized Service Providers, suppliers and advertising/ public relations representatives. VAM provided Product documentation for Internet publication will include, but not be limited to: Product data sheets, Product user guide, trouble shooting Information, Frequently Asked Questions (FAQs), Product advisories, training materials, and other applicable documentation as requested by LLC.

I. With each Product sold, VAM shall provide adequate product materials to assure ease of use of the product by the ultimate end user, including a user manual, installation manual, warranty service plan, and troubleshooting and repair documentation. These materials shall comply with LLC branding guidelines as described in Article 5.4.

J. VAM shall plan for and provide reasonable training in the sale and/or use of the Product to LLC, LLC's authorized Service Providers and/ or end users, as applicable.

K. VAM shall offer its customers a warranty for the Product that provides [***].

L. VAM shall provide, at its expense, reasonable support and technical assistance in the sale and/or use of the Product to LLC, LLC's authorized Service Providers (as applicable) and end users, all as further defined in Exhibit D.

4. LLC Obligations

A. During the development, test and certification of the Product, LLC shall provide; (a) interface documentation for the ICE; (b) reasonable technical support by telephone and/or email as required for VAM to integrate and test the Product, up to a maximum of 80 hours of free support; and (c) airtime on the Iridium Communications System as required for certification of the Product. LLC will make ground-based testing facilities available to VAM as deemed necessary by LLC based upon the amount of new development incorporated in the Product.

B. If requested by VAM and on a Time and Materials basis, LLC shall provide additional technical support beyond the 80 free hours specified in Article 4.A above. This support

shall be provided by telephone and/or email following LLC's receipt of a written authorization from VAM for the performance of such efforts. LLC will bill technical support provided as follows:

[***].

C. VAM will purchase SIM cards directly from the SIM card vendor or, with LLC's prior agreement, directly from LLC. LLC will provide the Mobile Subscriber Integrated Services Digital Network (MSISDN) numbers as are reasonably required by VAM to meet its anticipated End User base.

[***].

5. Billing and Method of Payment

A. Payment Terms: LLC shall provide VAM with an invoice in US dollars due for the provision of VAM fees specified herein and VAM shall pay the full amount of such invoice in US dollars by electronic funds transfer, or by any other method which has been mutually agreed to by LLC and VAM in writing, within thirty (30) calendar days of the date of transmittal of such invoice.

B. Late Payment/Priority of Payments: Any amounts remaining unpaid after thirty (30) calendar clays of the date of transmittal of an invoice shall be subjected to an additional late fee which shall be equivalent to 18% per annum of the overdue balance. All pigments made by VAM shall be applied in the following priority: (I) late fees; (ii) overdue amounts; and (iii) remaining balance. The failure of VAM to pay any sum owed hereunder within thirty (30) calendar days after date of transmittal of an invoice, and the continuance thereof for ten (10) calendar days after written notice has been given by LLC to VAM, shall constitute a default of this Agreement and shall entitle LLC to terminate this Agreement at any time thereafter upon written notice to VAM.

C. Price: Fees payable by VAM are specified in Articles 3.A and 4.B above. [***].

7. Term of Agreement

This Agreement shall become effective upon the Effective Date and shall continue for twelve months. This Agreement shall thereafter renew for successive twelve-month terms unless terminated by either party by giving at least ninety (90) days' prior written notice to the other prior to the commencement of any renewal term.

8. Intellectual Property

A. LLC owns and controls the use of the Iridium brands and trademarks. LLC authorizes VAM and its distributors to use LLC's current or future brands and/or trademarks in accordance with and subject to the *Iridium Corporate Identity Guidelines: Co-Branding Graphic Standards for Iridium Service Providers* to be published from time to time by LLC. This right of use may only be implemented by VAM in its development, production, promotion and sale of Products.

B. VAM shall notify LLC without delay of any alleged third-party infringements of Iridium brands or trademarks, and VAM shall assist LLC in any action taken by LLC against such infringements, provided that VAM has or had contractual relations with such third parties.

LLC hereby agrees to indemnify VAM against all claims and proceedings and reasonable expenses arising from infringement or alleged infringement of any third party's intellectual property rights by reason of VAM's exercising its rights under this Agreement to use LLC brands and trademarks and to provide Products. As a condition of this indemnity VAM must: notify LLC promptly in writing of any allegations of infringement; make no admissions relating to the infringement or allegation of infringement; allow LLC to conduct all negotiations and proceedings and give LLC all reasonable assistance in doing so. LLC will pay VAM's reasonable expenses for such assistance.

C. All rights, title and interest to all technology, technical information, trade secrets, computer software or other copyrightable material or proprietary information and inventions, patent applications, and patents incorporated in the ICE are and shall remain the sole and exclusive property of LLC or its suppliers of the ICE, and no rights therein are granted to VAM.

D. All rights, title and interest to all technology, technical information, trade secrets, computer software or other copyrightable material or proprietary information and inventions, patent applications, and patents developed by VAM during the course of this Agreement and incorporated into the Product are and shall remain the sole and exclusive property of VAM, and no rights therein are granted to LLC.

E. VAM hereby agrees to indemnify LLC against all claims and proceedings and reasonable expenses arising from infringement or alleged infringement of any third party's intellectual property rights arising from the sale, distribution or use of the Product. As a condition of this indemnity, LLC must: notify VAM promptly in writing of any allegations of infringement; make no admissions relating to the infringement or allegation of infringement; allow VAM to conduct all negotiations and proceedings and give VAM all reasonable assistance in doing so.

9. Relationship of Parties

A. This Agreement shall not constitute nor be construed as: (i) a principal/agent relationship, whether general, special or limited in nature; (ii) a joint venture; (iii) a partnership; (iv) an employment relationship; or (v) a franchise.

B. In performing any obligation created under this Agreement, the Parties agree that each Party is acting as an independent contractor and not as an employee or agent of the other Party. Neither Party has any authority hereunder to assume or create any obligation or responsibility, expressed or implied, on behalf or in the name of the other Party or to bind the other Party in any way whatsoever.

C. There are no implied or other standards of performance, guarantees or warranties except as expressly stated in this Agreement and any express or implied warranties or other terms implied by law, including, but not limited to warranties of merchantability or fitness for any purpose or use are hereby expressly excluded and disclaimed to the fullest extent permitted by law. LLC shall not be liable to VAM, nor shall VAM make any claim against LLC, for injury, loss or damage sustained by reason of any unavailability, delay, faultiness or failure of the facilities and services to be provided by LLC pursuant to this Agreement. VAM agrees that it will include in any agreement to provide Products an explicit commitment on the part of the Service Partner and its end users to waive any right to make any claim against LLC for injury, loss or damage sustained by reason of any unavailability, delay, faultiness or failure of the facilities and services to be provided by LLC hereunder.

D. In no event shall either party hereto be liable to the other, whether in contract or tort or otherwise, for special, incidental, indirect or consequential damages, including without

limitation lost profits or revenues, arising out of or resulting from the performance or non-performance of this Agreement. Neither party's officers, directors or shareholders or members shall have any personal liability under this Agreement.

10. Assignment of Rights

A. VAM shall not assign any of its rights or obligations hereunder to any Person without the prior written consent of LLC, which consent shall not be unreasonably withheld. This prohibition against assignment includes any change in control or ownership of VAM, provided, however, that VAM may assign its interest hereunder to a successor company subject to the ability of the successor company to make a reasonable showing of its ability to fulfill the obligations of VAM hereunder.

B. LLC may by written notice to VAM assign its interest hereunder, whether by sale of assets, merger or any other form of transfer, provided the assignee or transferee agrees in writing to assume all obligations of LLC hereunder. Further, any assignee, transferee or successor shall have the right to modify or expand the Iridium Services to be provided to End Users as long as such modified or expanded Iridium Services are functionally comparable or superior services to those presently offered by LLC.

11. Representations and Warranties

Each party to this Agreement warrants that as of the date of execution of the Agreement it has the necessary authority to lawfully enter into and perform its obligations pursuant to this Agreement.

12. Notices

All notices and other communications provided for in this Agreement shall be in writing and shall be sufficiently given if made (i) by hand delivery or by telecopier and (ii) by reputable express courier service (charges prepaid) or by registered or certified mail (postage prepaid and return receipt requested):

(a) if to LLC, at the following address:

Iridium Satellite LLC
1600 Wilson Boulevard, Suite 1000
Arlington, VA 22209
USA
Attn. Drew Uplinger

with a copy to:

Iridium Satellite LLC
1600 Wilson Boulevard, Suite 1000
Arlington, VA 22209
USA
Attn. Chief Counsel

and (b) if to VAM, at the following address:

Name: AirCell, Inc.
Address: 1172 Century Drive, #280, Louisville, CO 80027
Attn: Robert Seeley

or at such other address as either party shall have furnished in writing to the other. All such notices and other communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited with a reputable express courier service (charges prepaid); seven business days after being deposited in the mail, postage prepaid, if delivered by mail; and when receipt acknowledged (by a facsimile machine or otherwise), if telecopied.

13. Confidential Information

A. The parties agree that, during and after the term of this Agreement, neither party, its Affiliates, employees, agents, or Persons otherwise associated with either party hereto, shall directly or indirectly, without the express prior written consent of the disclosing party, use, furnish, give away, reveal, divulge, make known, sell or transfer in any way Confidential Information of the disclosing party, other than for the performance of its duties hereunder or as outlined in the Non Disclosure Agreement previously executed by the parties ("NDA").

B. The parties acknowledge that any Confidential Information, which is covered in this Agreement or the NDA, that has been disclosed to it by the other has been disclosed solely for the performance of its duties hereunder and both parties agree that all Confidential Information provided by the other is the exclusive property of the disclosing party.

C. Each party agrees that if it is served with any form of legal process that would require disclosure of any Confidential Information, it shall, if permitted by law, before taking any action, immediately notify the other party which shall, in addition to the efforts, if any, of the party so served, have the right to seek to quash or limit the scope of such process. The parties agree to desist from taking any other action which is inconsistent with that of the other.

D. For the purposes of the Agreement, Information shall not be considered to be Confidential Information if the information is:

1. in or passed into the public domain other than by breach of this Agreement; or
2. known to a receiving party prior to the disclosure by a disclosing party; or
3. disclosed to a receiving party without restriction by a third party having the full right to disclose; or
4. independently developed by a receiving party to whom no disclosure of Confidential Information relevant to such Information has been made.

14. Termination

A. Right to Terminate

Either party may terminate this Agreement at any time with immediate effect by giving notice to the other party if the other party is in Default as defined in this Agreement, and such breach continues uncured for a period of thirty (30) days after notice.

B. Post Termination Obligations

Upon termination of this Agreement, in addition to its other obligations hereunder, VAM shall promptly discontinue all use of advertising matter, slogans, trademarks, trade names or other marks identified with LLC, shall immediately return to LLC all procedures manuals and related materials provided to VAM by LLC hereunder, and shall not do business under the Iridium name or any confusingly similar name or mark. VAM shall also submit a data file containing complete End User information for all End User contracts.

C. Remedies Cumulative

It is agreed that the rights and remedies herein provided in case of default or breach by any party are cumulative and shall not affect, except as limited by this Agreement, any remedies that a party may have by reason of such default or breach. The exercise of any right or remedy herein provided shall be without prejudice to the right to exercise any other right remedy provided herein, at law or in equity.

15. Descriptive Headings

The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

16. Severability and Waiver

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of the Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions will not be construed as a waiver or deprive that party of the right thereafter to insist upon adherence to that term or any other term of this Agreement.

17. Dispute Resolution/Arbitration

A. In the event of any dispute arising under this Agreement, including any allegation of breach and any failure to reach mutual agreement hereunder, the parties shall refer the matter for consideration and solution by the responsible executives of the parties. Either party may commence such proceedings by delivering to the other party a written request for such a meeting. Such request shall describe the dispute and identify the requesting party's responsible executive for purposes of resolving the dispute. The party receiving such a request shall have seven (7) calendar days to designate its responsible executive for the dispute in writing to the requesting party. The responsible executives shall meet within fifteen (15) calendar days, at such time and place as may be mutually agreed to by the parties. The responsible executives shall use commercially reasonable efforts to resolve the dispute within fourteen (14) days following their meeting.

B. All controversies, disputes or claims arising out of or relating to this Agreement or breach thereof which has not be amicably settled by the parties shall be finally settled by arbitration held under the rules of the International Chamber of Commerce (hereafter referred to as the Rules). The place or arbitration shall be Washington D.C. The arbitration shall be conducted in the English language by three arbitrators. Each party shall be entitled to designate one arbitrator. The claimant shall nominate its arbitrator in its Request for Arbitration and the respondent shall nominate its arbitrator within twenty (20) days of receipt of the Request for Arbitration. The third arbitrator shall be designated in accordance with the Rules. In the event that either party fails to appoint an arbitrator, the rules in relation to appointment of arbitrators shall apply.

C. The arbitration award shall be final and binding on the parties and shall be enforced in accordance with its terms. In the course of such arbitration, this Agreement shall be continuously performed except with respect to the part hereof which is the subject of, or which is directly and substantially affected by, the arbitration. In any such arbitration proceeding, any legal proceeding to enforce any arbitration award and any other legal action between the parties pursuant to or relating to this Agreement or the transactions contemplated hereby, both parties expressly waive the defense of sovereign immunity and any other defense based on the fact or allegation that it is an agency or instrumentality of a sovereign state.

D. Any monetary award shall be made payable in immediately available funds, in U.S. Dollars through a bank account selected by the recipient of such an award, free of any withholding tax or other deduction, with interest thereon from the date the award is granted to the date it is paid in full at the prime rate of interest as reported from time to time in the U.S. edition of the Wall Street Journal. The prevailing party to any arbitration conducted under this Agreement shall be entitled to recover from the other party, as part of the arbitral award or order, its reasonable attorneys' fee and other costs of arbitration.

18. Choice of Law

This Agreement shall be governed in accordance with the laws of the State of Delaware, United States of America, without regard to any provision that would result in the application of the laws of any other jurisdiction. The parties specifically disclaim the UN Convention on Contracts for the International Sale of Goods.

19. Export

VAM shall not export, directly or indirectly, any equipment, information or technical data under this Agreement to any individual or country for which the U.S. Government at the time of export requires an export license or other governmental approval without first obtaining such license or approval. VAM shall indemnify, defend and hold LLC harmless and reimburse LLC of, from, for and against all claims, demands, damages, costs, fines, penalties, attorneys' fees and other expenses arising from VAM's failure to comply with this Article.

20. Force Majeure

Neither Party shall be in default of this Agreement if its performance or obligation hereunder is delayed or becomes impractical by reason of any act of God, war, fire, accident, or any other cause beyond such Party's control.

21. Entire Agreement; Rights of Third Parties

This Agreement (including Exhibits A through E hereto) constitutes the entire agreement between the parties and supersedes any understandings, agreements, or representations by or between the parties, written or oral, made at any time prior to the Commencement Date, that may relate in any way to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns.

22. Foreign Corrupt Practices Act

LLC and its operations are subject to the U.S. Foreign Corrupt Practices Act ("FCPA"), including the anti-bribery and corrupt payment provisions. VAM agrees to comply with the provisions of the FCPA and to take no action that might cause LLC to be in violation of FCPA. VAM agrees to furnish to LLC at any time upon request copies of all records concerning matters under FCPA and to contact LLC immediately if VAM at any time has questions regarding the requirements and restrictions imposed by FCPA relative to performance by LLC hereunder.

Iridium Satellite LLC	**AirCell, Inc.**
Signature:	Signature:
/s/ Drew R. Uplinger	/s/ Bill Peltola
Print Name:	Print Name:
Drew R. Uplinger	Bill Peltola
Director, VAM Programs	VP, Sales & Marketing

Iridium Communications Equipment (ICE)
Product List

The table below lists the available ICE to VAM by description, part number and pricing. This information is subject to change as specified in Article 3.B of the Agreement.

[***]

Product Certification

B.1 Certification Process. Each Product, or enhancement to a Product, must be certified by LLC prior to its commercial sale or commercial use over the Iridium Communications System as evidenced by VAM's receipt of a Certification Letter from LLC. LLC's issuance of a Certification Letter will be based upon the following steps: 1) testing of the Product in the intended configuration, in both laboratory and live test environments; 2) availability of product documentation; 3) training of customer support and distribution personnel; and 4) receipt of required regulatory approvals and product labeling with appropriate regulatory marks. If any of the previous activities have not been completed, LLC may, in its sole discretion, provide a list of items that VAM must remedy in order to receive a Certification Letter. Upon successful completion of the certification process described above, LLC will issue a Certification Letter and the Product may be offered commercially without further restrictions.

Following LLC's issuance of a Certification Letter and in the event that a significant Product defect (including a significant network or system defect which can reasonably be attributed to the Product) is subsequently identified, LLC reserves the right to withdraw its Certification Letter at any time. In this event, VAM shall work to remedy the defect in a timely manner and shall cooperate with LLC to perform any recommended testing as deemed necessary by LLC for re-certification of the Product. Following the withdrawal of a Product's Certification Letter, VAM agrees that its shall immediately withdraw the Product from commercial availability and shall not offer the Product for sale until a new Certification Letter has been issued by LLC.

B.2 Certification Testing Requirements. For the certification of each Product, the following testing requirements shall apply:

VAM shall test the Product to include both voice and data test calls and a record shall be maintained of calls made and type of call (specify type of data calls);

VAM shall connect as many different call scenarios and call types as practical with a target goal [***];

VAM shall use a SIM card and airtime supplied by LLC (if VAM already has demo SIM cards, then VAM shall supply the MSISDN of this SIM card to LLC) and LLC will track SIM card usage to maintain a record and log of all testing;

[***];

Documented test results shall include detailed information on [***];

VAM shall provide LLC with a same-day report of any potential defects or abnormal scenarios encountered during testing, including the problem, the call scenario when the problem occurred, the test configuration, and other relevant observables;

VAM shall establish and maintain a laboratory test configuration with antenna installations with a clear view of the sky [***];

VAM shall supply to LLC the Product in a commercial hardware and software configuration (as well as any necessary support applications or hardware required to test the Product) for testing in a live system environment at LLC facilities;

LLC shall make available, at LLC’s discretion, the necessary test resources and facilities for the purpose of testing the Product in the live system environment;

LLC shall provide VAM with success metrics as required to achieve the Product performance component of certification.

At the request of VAM, LLC may elect to waive one or more of the above certification testing requirements when LLC determines that the customer requirements specific to the Product have been otherwise fully satisfied.

Regular Reports

1. [***]

2. Confidentiality

All information provided pursuant to the Report requirements shall be subject to the Confidentiality provisions of the Agreement. In particular, information provided by VAM concerning identity of customers is proprietary to and the sole and exclusive property of VAM and acknowledged by LLC to be of substantial value. Such information shall not be used by LLC in any form or manner to compete with VAM in the provision of subscriber equipment to such customers.

3. [***]

Customer Service and Support Program

VAM shall provide the following customer support services to LLC, LLC authorized Service Providers, and/or end users for the Product:

Customer Service and Support Requirement:	LLC	Service Providers	End Users
Customer care call in service during VAM's normal business hours (as a minimum, 8:00 AM to 5:00 PM, Monday to Friday, VAM local time) available to respond to general inquiries, troubleshooting or equipment issues.	X	X	X
Repair and warranty information, policies, and procedures.	X	X	X
Technical support contact information, escalation process and Service Level Agreement.	X	X	X
Customer care trouble shooting documentation.	X	X	
Field service bulletins, tech notes, list of known defects/bugs (updated quarterly).	X	X	
Training manuals or training material to be used by engineering, customer care, manufacturing, warranty service, sales, and field service personnel.	X	X	
List of countries where type approval has been received (updated as required).	X	X	
Collateral marketing materials for use during trade shows and for access from LLC's extranet.	X	X	
Trade show support, as requested.	X	X	
Two (2) each units of the Product for product familiarization, including user manual, installation manual, warranty service plan, and end user troubleshooting and repair documentation.	X		
Training of LLC personnel on product use and troubleshooting.	X		
Training plan for Service Providers/ Dealers (certification, installation, parts obsolescence requirements and policies)	X		

Exhibit E
(Value Added Manufacturer Agreement)

VAM Unique Requirements

The following modifications to the Value Added Manufacturer Agreement or its Exhibits A through D are mutually agreed upon by the Parties and will supercede and replace the terms of the Value Added Manufacturer Agreement or its Exhibits A through D where applicable.

1. Article 3.G is revised to read as follows:

   "Each Party shall acquire the written consent of the other Party prior to making any media releases, public announcements and/or public disclosures relating to this Agreement or the subject matter hereof, including, without limitation, promotional or marketing material referring to the Iridium Communications System or the Product. Notwithstanding the above, during the term of this Agreement, LLC may use and publish VAM's name in conjunction with its announcement and/or publication of participants in the LLC VAM program. Upon the agreement of the Parties, either Party may provide collateral marketing materials to the other Party from time to time as available."

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

IRIDIUM GLOBAL VALUE ADDED RESELLER AGREEMENT

THIS IRIDIUM GLOBAL VALUE ADDED RESELLER AGREEMENT is dated as of March 31st 2005 (hereinafter the "Agreement"), and is by and between Iridium Satellite LLC, having its principal place of business at 6701 Democracy Boulevard, Suite 500, Bethesda, Maryland 20817 USA ("LLC"), and AirCell, Inc., having its principal place of business at 1172 Century Drive, suite 280, Louisville, Colorado 80027 USA ("Value Added Reseller").

Whereas, Value Added Reseller wishes to be authorized by LLC to sell Iridium Data Services and Iridium Data Modules on a nonexclusive global basis in those territories in which Value Added Reseller is authorized to provide telecommunications services; and

Whereas, LLC desires to so authorize Value Added Reseller.

NOW, THEREFORE, in consideration of the mutual agreements and understandings herein contained, the parties hereto agree as follows:

1. Certain Definitions

In addition to terms defined throughout this Agreement, as used herein the following terms shall have the following respective meanings:

"Confidential Information" means any confidential or proprietary information of either party that is clearly identified as "confidential" and/or "proprietary" by the disclosing party including without limitation any Intellectual Property disclosed by the disclosing party.

"Commencement Date" means the date on which Value Added Reseller is notified by LLC that all conditions to Value Added Reseller's qualification to sell Iridium Data Services and Iridium Data Modules have been satisfied pursuant to Section 3 hereof.

"Default" shall include (i) the execution of an assignment for the benefit of creditors or the seeking of relief by either party hereto under any bankruptcy or similar debtor relief laws or (ii) the failure by Value Added Reseller or LLC, as the case may be, to materially perform or observe any term hereunder, which failure has not been cured within thirty (30) days of the date of receipt of written notice of such failure from the complaining party.

"Government" means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Iridium Data Services" means the Iridium mobile satellite communication data services set forth in Exhibit E.

"Iridium System Practices" hereinafter ("ISP") means the rules set forth in Exhibit A hereto.

"IDM" and "Iridium Data Module" means the individual equipment units (including, but not limited to: Satellite Series (SS), SS 9522 Sebring LBT, Daytona LBT, antennae, and other related accessories) used by Iridium subscribers for purposes of transmitting and/or receiving data communications through the Iridium Satellite Communications System.

"IDM Solution" means the unique value added solution based on IDM as developed, tested and offered for sale to customers by Value Added Reseller in accordance with the terms of this Agreement.

"Intellectual Property" means all intellectual property worldwide including, but not limited to, inventions, patents, copyrights (including renewal rights), trademarks, trade secrets, know-how, mask works, Confidential Information, computer software (including source code), ideas, processes, discoveries, methods, and all other forms of intellectual property and any applications for registration thereof.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Government.

"PSTN" means a Public Switched Telephone Network.

"SIM" means a Subscriber Identity Module which contains customer information and, when used with an Iridium-certified IDM, enables access to the Iridium Data Services.

"Subscriber" means the Person who enters into an agreement with Value Added Reseller for the right to access and use the Iridium Data Services with Value Added Reseller's IDM Solution.

"Tail Charges" [***].

2. Appointment as Value Added Reseller

LLC hereby appoints Value Added Reseller as a nonexclusive provider of Iridium Data Services and authorizes Value Added Reseller to market and sell Iridium Data Services and Iridium Data Modules on a non-exclusive global basis for those vertical market applications and in those territories in which Value Added Reseller is authorized to provide telecommunications services, as further defined in Exhibit F hereto.

3. Value Added Reseller Obligations

A. Immediately upon the execution of this Agreement, Value Added Reseller will take all steps required to complete the process established by LLC for qualifying as an authorized Iridium Global Value Added Reseller as generally described in section 3H and Exhibit D hereof. Upon completion of qualification, LLC shall provide written notice to Value Added Reseller of the Commencement Date established by LLC for this Agreement. In the event that Value Added Reseller fails to qualify within one hundred twenty (120) days from the date hereof (or sooner in the event LLC determines that Value Added Reseller cannot, with the exercise of due diligence, meet the qualifications within such one hundred twenty day period), this Agreement shall thereupon be null and void and the parties shall be relieved and released from any further liability hereunder. LLC shall have sole discretion in determining whether to authorize Value Added Reseller as an Iridium Global Value Added Reseller. Upon qualification, Value Added Reseller shall use commercially reasonable efforts to market and sell access to and usage of Iridium Data Services to Subscribers pursuant to the terms of this Agreement. Value Added Reseller shall provide Regular Reports to LLC as specified in Exhibit B hereto.

B. Value Added Reseller shall obtain and maintain, at its own expense, all regulatory and legal licenses and certifications, Governmental or otherwise, necessary for Value Added Reseller, its employees, agents and distributors to provide Iridium Data Services and equipment under the terms of this Agreement.

C. Value Added Reseller shall perform all accounting, billing and collections activities necessary respecting its customers and shall be solely responsible for all expenses related to the performance of such services.

D. Value Added Reseller shall be solely responsible for all taxes, tariffs and surcharges, if any, arising from the provision of Iridium Data Services by Value Added Reseller to its customers. This includes but is not limited to Value Added Reseller being responsible for payment or reimbursement of any goods and services taxes and income taxes, universal service levies, charges, levies, duties, withholding, usage or other fees which may be asserted against Value Added Reseller or LLC by any local, state or national government entity with respect to or arising out of the provision of Iridium Data Services hereunder. All stated pricing set forth in Exhibit C is exclusive of all such taxes.

E. Value Added Reseller shall provide its Subscribers with only LLC-approved IDMs. Value Added Reseller shall acquire such IDM's from either Iridium qualified manufacturers pursuant to terms established from time to time by LLC and the manufacturer or LLC, as directed by LLC. Value Added Reseller shall pay all costs of shipping, including import duties, taxes and similar charges as well as transportation charges, insurance and other fees.

F. Value Added Reseller shall pay LLC in accordance with the rates set forth in Exhibit C hereto. The rates specified in Exhibit C are subject to change upon thirty (30) calendar days' advance written notice from LLC.

G. Value Added Reseller shall use commercially reasonable efforts to comply with the applicable ISPs set forth in Exhibit A hereto. Any proposed change or addition to the ISPs shall be at the sole discretion of LLC.

H. Value Added Reseller shall be solely responsible for the design, test and performance of its IDM Solution as offered for sale in accordance with the terms of this Agreement, as well as the integration thereof with the Iridium Communications System to ensure proper operation. As a condition to LLC's approval of qualification of Value Added Reseller as provided in section 3A and Exhibit D hereof, prior to the first commercial sale of each IDM Solution, Value Added Reseller shall provide such information about the IDM Solution proposed to be offered as is requested by LLC and shall certify the IDM Solution as specified herein in order to assure that such solution shall operate properly and without detriment to the Iridium system, network or other end users. Information requested by Iridium includes, but is not limited to:

1. Description and intended operational usage of the solution;
2. Solution architecture;
3. Quantity and geographic location of IDM units;
4. Amount, timing and duration of data transmissions;

5. [***].

6. Reports of potential defects or abnormal scenarios encountered during testing, including the problem, the call scenario when the problem occurred, the test configuration, and other relevant observables; and

7. At LLC's discretion, LLC witnessing of solution testing as performed by Value Added Reseller.

8. Value Added Reseller shall work with LLC to certify the IDM Solution for operation on the Iridium Communications System as further specified in Exhibit H.

I. [***].

J. Value Added Reseller acknowledges that this Agreement authorizes Value Added Reseller to sell only Iridium Data Services as specified in Exhibit E. [***].

K. Value Added Reseller shall be responsible for marketing and distributing Iridium Data Services and IDMs subject to the terms of this Agreement. Value Added Reseller will advertise and/or promote Iridium Data Services and IDMs in a commercially reasonable manner and will transmit information and promotional materials on Iridium Data Services and IDMs to its customers as reasonably necessary. In carrying out its responsibilities hereunder, Value Added Reseller will conduct itself in an ethical and lawful manner, will exercise its best efforts to achieve a high level of customer satisfaction, and will do nothing to bring the reputation of Iridium into disrepute.

L. Value Added Reseller shall acquire the prior written consent of LLC prior to making any media releases, public announcements and/or public disclosures relating to this Agreement or the subject matter hereof, including, without limitation, promotional or marketing material referring to the Iridium Communications System. Such consent not to be unreasonably withheld. During the term of this Agreement, LLC may use and publish Value Added Reseller's name in conjunction with its announcement and/or publication of participants in the Iridium Value Added Reseller program. LLC will do nothing to bring the reputation of Value Added Reseller into disrepute. Upon the agreement of the Parties, either Party may provide collateral marketing materials to the other Party from time to time as available.

M. Value Added Reseller shall offer its customers a warranty for the IDM Solution which is consistent with the warranty program provided by LLC to Value Added Reseller for the IDM. Value Added Reseller will offer a repair service that provides, as a minimum, commercially reasonable repair pricing and repair lead times for the IDM Solution.

N. Value Added Reseller shall provide reasonable support and technical assistance in the sale and/or use of the IDM Solutions to LLC and customers, all as further defined in Exhibit A.

4. LLC Obligations

A. LLC will use commercially reasonable efforts to maintain the availability of Iridium Data Services for Value Added Reseller and its Subscribers.

B. Value Added Reseller will purchase SIM cards directly from the SIM card vendor or, with LLC's prior agreement, directly from LLC. LLC will provide the Mobile Subscriber Integrated Services Digital Network (MSISDN) numbers as are reasonably required by Value Added Reseller to meet its anticipated Subscriber base.

5. Billing and Method of Payment

A. Payment Terms: LLC shall provide Value Added Reseller with a monthly invoice in US dollars due for the provision of Iridium Data Services to Value Added Reseller and Value Added Reseller shall pay the full amount of such invoice in US dollars by electronic funds transfer, or by any other method which has been mutually agreed to by LLC and Value Added Reseller in writing, within thirty (30) calendar days of the date of transmittal of such invoice.

B. Late Payment/Priority of Payments: Any amounts remaining unpaid after thirty (30) calendar days of the date of transmittal of an invoice shall be subjected to an additional late fee which shall be equivalent to [***] per annum of the overdue balance. All payments made by Value Added Reseller shall be applied in the following priority: (i) late fees; (ii) overdue amounts; and (iii) remaining balance. The failure of Value Added Reseller to pay any sum owed hereunder within thirty (30) calendar days after date of transmittal of an invoice, and the continuance thereof for ten (10) calendar days after written notice has been given by LLC to Value Added Reseller, shall constitute a default of this Agreement and shall entitle LLC to terminate this Agreement at any time thereafter upon written notice to Value Added Reseller.

C. Billing Disputes: Value Added Reseller shall notify LLC of any disputed items within ninety (90) calendar days of the date of transmittal of an invoice. LLC shall review and respond to the billing dispute within ten (10) calendar days of receipt of the billing dispute. Any charges that LLC agrees were not charged correctly shall be credited to Value Added Reseller if Value Added Reseller has paid such charges. If LLC disagrees with a billing dispute, LLC shall give Value Added Reseller notice of, and an explanation of, such disagreement within the time frame stated above ("Notice of Disagreement"). Thereafter, the billing dispute shall be subject to the dispute resolution procedure set forth in Section 18 of this Agreement; except that the Parties shall appoint responsible executives to resolve the matter within five (5) business days of receipt of the Notice of Disagreement, and the responsible executives shall use reasonable efforts to resolve the billing dispute within fifteen (15) business days of their appointment. Pending resolution of any such dispute, Value Added Reseller shall not be relieved of its obligation for payment of all charges invoiced hereunder, including disputed items.

D. Price: The service rates for Iridium Data Service are provided in Exhibit C. [***]

6. Integration, Activations and Deactivations

The parties shall comply with all procedures governing the activation and deactivation of Iridium Data Services and IDM's as set forth in the ISPs, and LLC may, in compliance with such ISPs, and in consultation with Value Added Reseller (and through Value Added Reseller if Value Added Reseller so agrees), refuse to activate any Iridium Data Services or any SIM or MSISDN pair or deactivate or suspend all or part of any Data Service or SIM or MSISDN pair in the event of suspected fraud, loss of IDM or to avoid or correct any degradation or impairment of the Iridium Data Services.

7. Term of Agreement

This Agreement shall become effective upon the Commencement Date and shall continue for twelve months. This Agreement shall thereafter renew for successive twelve-month terms unless terminated by either party by giving at least ninety (90) days' prior written notice to the other prior to the commencement of any renewal term.

8. Intellectual Property

A. LLC owns and controls exclusively the Iridium trademarks, service marks and logos (the "Iridium Marks"). LLC authorizes Value Added Reseller and its distributors to use the Iridium Marks in accordance with and subject to the Iridium Corporate Identity Guidelines: Co-Branding Graphic Standards for Iridium Service Providers to be published from time to time by LLC (the "Guidelines"). This right of use may only be implemented by Value Added Reseller in its promotion and sale of Iridium Data Services. Value Added Reseller shall (and shall require each of its distributors to) conduct its business and operations with which the Iridium Marks are used in a lawful and professional manner and at a quality level in accordance with and consistent with the quality level of LLC's business and operations. Value Added Reseller shall not, and shall not permit any of its applicable distributors to, bring disrepute to or in any manner impair or damage the Iridium Marks or the goodwill associated with the Iridium Marks.

B. From time to time, LLC shall have the right to review and evaluate Value Added Reseller's use of the Iridium Marks and the related documents, media and other material (collectively the "Materials") bearing the Iridium Marks for purposes of ensuring that the Guidelines are being adhered to and that the goodwill associated with the Iridium Marks is not being adversely affected by Value Added Reseller or its distributors. Value Added Reseller shall, at LLC's request, provide to LLC descriptions of such use and representative samples of such Materials. If LLC reasonably considers such use or Materials to be of a type or quality that is inconsistent with the terms of this Agreement or the Guidelines, or is likely to affect the image, reputation and goodwill associated with the Iridium Marks, LLC may request Value Added Reseller to, and Value Added Reseller shall (unless it elects to discontinue use of the Iridium Marks as they relate to such use or Materials), improve such use or such Materials such that such use or Materials are of a type and quality that is consistent with the terms of this Agreement and the Guidelines, and are not likely to adversely affect the image, reputation and goodwill associated with the Iridium Marks.

C. Value Added Reseller shall notify LLC without delay of any alleged third-party infringements of Iridium brands or trademarks, and Value Added Reseller shall assist LLC in any action taken by LLC against such infringements, provided that Value Added Reseller has or had contractual relations with such third parties. LLC hereby agrees to indemnify Value Added Reseller against all claims and

proceedings and reasonable expenses arising from infringement or alleged infringement of any third party's Intellectual Property rights by reason of Value Added Reseller's exercising its rights under this Agreement to use LLC brands and trademarks and to provide Iridium Data Services. As a condition of this indemnity, promptly after receipt by Value Added Reseller of a notice of any third party claim or the commencement of any action, Value Added Reseller shall: (a) notify LLC in writing of any such claim; (b) provide LLC with reasonable assistance to settle or defend such claim, at LLC's own expense; and (c) grant to LLC the right to control the defense and/or settlement of such claim, at LLC's own expense; provided, however, that: (i) the failure to so notify, provide assistance and grant authority and control shall only relieve LLC of its obligation to Value Added Reseller to the extent that LLC is prejudiced thereby; (ii) LLC shall not, without Value Added Reseller's consent (such consent not to be unreasonably withheld or delayed), agree to any settlement which: (x) makes any admission on behalf of Value Added Reseller; or (y) consents to any injunction against Value Added Reseller (except an injunction relating solely to Value Added Reseller's continued use of any infringing materials); and (iii) Value Added Reseller shall have the right, at its expense, to participate in any legal proceeding to contest and defend a claim and to be represented by legal counsel of its choosing, but shall have no right to settle a claim without LLC's written consent.

D. All rights, title and interest to all Intellectual Property incorporated in the IDM are and shall remain the sole and exclusive property of LLC or its suppliers of the IDM, and no rights therein are granted to Value Added Reseller.

E. All rights, title and interest to all Intellectual Property developed by Value Added Reseller prior to and during the course of this Agreement and incorporated into the IDM Solution are and shall remain the sole and exclusive property of Value Added Reseller, and no rights therein are granted to Iridium.

F. Value Added Reseller hereby agrees to indemnify Iridium against all claims and proceedings and reasonable expenses arising from infringement or alleged infringement of any third party's Intellectual Property rights arising from the sale, distribution or use of the IDM Solution. As a condition of this indemnity, Iridium must: promptly after receipt by LLC of a notice of any third party claim or the commencement of any action, LLC shall: (a) notify Value Added Reseller in writing of any such claim; (b) provide Value Added Reseller with reasonable assistance to settle or defend such claim, at Value Added Reseller's own expense; and (c) grant to Value Added Reseller the right to control the defense and/or settlement of such claim, at Value Added Reseller's own expense; provided, however, that: (i) the failure to so notify, provide assistance and grant authority and control shall only relieve Value Added Reseller of its obligation to LLC to the extent that Value Added Reseller is prejudiced thereby; (ii) Value Added Reseller shall not, without LLC's consent (such consent not to be unreasonably withheld or delayed), agree to any settlement which: (x) makes any admission on behalf of LLC; or (y) consents to any injunction against LLC (except an injunction relating solely to LLC's continued use of any infringing materials); and (iii) LLC shall have the right, at its expense, to participate in any legal proceeding to contest and defend a claim and to be represented by legal counsel of its choosing, but shall have no right to settle a claim without Value Added Reseller's written consent.

9. Relationship of Parties

A. This Agreement shall not constitute nor be construed as: (i) a principal/agent relationship, whether general, special or limited in nature; (ii) a joint venture; (iii) a partnership; (iv) an employment relationship; or (v) a franchise.

B. In performing any obligation created under this Agreement, the Parties agree that each Party is acting as an independent contractor and not as an employee or agent of the other Party. Neither Party has any authority hereunder to assume or create any obligation or responsibility, expressed or implied, on behalf or in the name of the other Party or to bind the other Party in any way whatsoever.

C. There are no implied or other standards of performance, guarantees or warranties except as expressly stated in this Agreement and any express or implied warranties or other terms implied by law, including, but not limited to warranties of merchantability or fitness for any purpose or use are hereby expressly excluded and disclaimed to the fullest extent permitted by law. LLC shall not be liable to Value Added Reseller, nor shall Value Added Reseller make any claim against LLC, for injury, loss or damage sustained by reason of any unavailability, delay, faultiness or failure of the facilities and services to be provided by LLC pursuant to this Agreement. Value Added Reseller agrees that it will include in any agreement to provide Iridium Data Services an explicit commitment on the part of the Subscriber to waive any right to make any claim against LLC for injury, loss or damage sustained by reason of any unavailability, delay, faultiness or failure of the facilities and services to be provided by LLC hereunder.

D. In no event shall either party hereto be liable to the other, whether in contract or tort or otherwise, for special, incidental, indirect or consequential damages, including without limitation lost profits or revenues, arising out of or resulting from the performance or non-performance of this Agreement. Neither party's officers, directors or shareholders or members shall have any personal liability under this Agreement.

10. Fraud

A. Value Added Reseller agrees to notify LLC without delay if SIM cards have been lost, stolen, or have become unserviceable due to damage, or have been misused in any way. At the time Value Added Reseller becomes aware of such an instance, Value Added Reseller agrees to suspend or deactivate the applicable MSISDN immediately.

B. Value Added Reseller shall be responsible for all credit risk relating to its Subscribers and shall be liable for all charges arising from the use of SIMS or IDM's assigned or otherwise made available to Value Added Reseller pursuant to this Agreement. LLC shall exercise its reasonable best efforts, in accordance with applicable ISPs, to detect and inform Value Added Reseller of any perceived fraudulent use of SIMs or IDM's made available to Value Added Reseller and to take appropriate steps to suspend or terminate any SIM or deactivate other IDM involved in such perceived fraudulent use. If Value Added Reseller is in full compliance with the provisions of the ISP with respect to Security and Fraud Protection, including the prompt reporting to LLC of any lost or stolen SIM card, Value Added Reseller shall be relieved of charges incurred as a result of subscription fraud resulting from a lost or stolen SIM card, such relief to be effective immediately upon receipt by LLC of notice of the lost or stolen SIM card.

11. Assignment of Rights

A. Value Added Reseller shall not assign any of its rights or obligations hereunder to any Person without the prior written consent of LLC, which consent shall not be unreasonably withheld. This prohibition against assignment includes any change in control or ownership of Value Added Reseller, provided, however, that Value Added Reseller may assign its interest hereunder to a successor company subject to the ability of the successor company to make a reasonable showing of its ability to fulfill the obligations of Value Added Reseller hereunder.

B. In the event of termination of this Agreement, LLC shall have the option to acquire, or have assigned to another designated Value Added Reseller, the service contracts that Value Added Reseller concluded with Subscribers. LLC shall have a period of thirty (30) calendar days from the effective date of such termination to notify Value Added Reseller of its intention to exercise said option, subject to the conclusion of mutually acceptable reasonable terms, including price, for the acquisition of such service contracts, and the parties hereto agree to use commercially reasonable efforts to agree upon such reasonable terms. If the parties cannot agree, then such service contracts shall continue to be the property of Value Added Reseller. The parties agree to use their commercially 'reasonable efforts to maintain the Subscribers' use of Iridium Data Services during the option period and for a period of sixty (60) calendar days from the date of termination of the option.

C. LLC may by written notice to Value Added Reseller assign its interest hereunder, whether by sale of assets, merger or any other form of transfer, provided the assignee or transferee agrees in writing to assume all obligations of LLC hereunder. Further, any assignee, transferee or successor shall have the right to modify or expand the Iridium Data Services to be provided to Subscribers as long as such modified or expanded Iridium Data Services are functionally comparable or superior services to those presently offered by LLC.

12. Representations and Warranties

A. The parties hereto acknowledge that their ability to provide Iridium Data Services is conditioned upon the continuing validity of operating licenses issued by Governmental authorities.

B. Each party to this Agreement warrants that as of the date of execution of the Agreement it has the necessary authority to lawfully enter into and perform its obligations pursuant to this Agreement.

13. Notices

All notices and other communications provided for in this Agreement shall be in writing and shall be sufficiently given if made (i) by hand delivery or by telecopier and (ii) by reputable express courier service (charges prepaid) or by registered or certified mail (postage prepaid and return receipt requested) (a) if to LLC, at the following address:

Iridium Satellite LLC
6701 Democracy Boulevard, Suite 500,
Bethesda, Maryland 20817 USA
Attn. Don Thoma

With a copy to:

Iridium Satellite LLC
6701 Democracy Boulevard, Suite 500,
Bethesda, Maryland 20817 USA
Attn. Chief Counsel

and (b) if to Value Added Reseller, at the following address:

Name: AirCell, Inc.

Address: 1172 Century Drive
Suite 280
Louisville, CO 80027
Attn: Mr. William Peltola

or at such other address as either party shall have furnished in writing to the other. All such notices and other communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited with a reputable express courier service (charges prepaid); seven business days after being deposited in the mail, postage prepaid, if delivered by mail; and when receipt acknowledged (by a facsimile machine or otherwise), if telecopied.

14. Confidential Information

A. The parties agree that, during and after the term of this Agreement, neither party, its Affiliates, employees, agents, or Persons otherwise associated with either party hereto, shall directly or indirectly, without the express prior written consent of the disclosing party, use, furnish, give away, reveal, divulge, make known, sell or transfer in any way Confidential Information of the disclosing party, other than for the performance of its duties hereunder or as outlined in the Non Disclosure Agreement previously executed by the parties ("NDA").

B. The parties acknowledge that any Confidential Information, which is covered in this Agreement or the NDA, that has been disclosed to it by the other has been disclosed solely for the performance of its duties hereunder and both parties agree that all Confidential Information provided by the other is the exclusive property of the disclosing party.

C. Each party agrees that if it is served with any form of legal process that would require disclosure of any Confidential Information, it shall, if permitted by law, before taking any action, immediately notify the other party which shall, in addition to the efforts, if any, of the party so served, have the right to seek to quash or limit the scope of such process. The parties agree to desist from taking any other action which is inconsistent with that of the other.

D. For the purposes of the Agreement, Information shall not be considered to be Confidential Information if the information is:

1. in or passed into the public domain other than by breach of this Agreement ; or
2. known to a receiving party prior to the disclosure by a disclosing party; or
3. disclosed to a receiving party without restriction by a third party having the full right to disclose; or
4. independently developed by a receiving party to whom no disclosure of Confidential Information relevant to such Information has been made.

15. Termination.

A. Right to Terminate.

Either party may terminate this Agreement at any time with immediate effect by giving notice to the other party if the other party is in Default as defined in this Agreement, and subject to any grace period specifically provided herein.

B. Post Termination Obligations.

Upon termination of this Agreement, in addition to its other obligations hereunder, Value Added Reseller shall promptly discontinue all use of advertising matter, slogans, trademarks, trade names or other marks identified with LLC, shall immediately return to LLC all procedures manuals and related materials provided to Value Added Reseller by LLC hereunder, and shall not do business under the Iridium name or any confusingly similar name or mark. Value Added Reseller shall also submit a data file containing complete Subscriber information for all Subscriber contracts.

C. Remedies Cumulative.

It is agreed that the rights and remedies herein provided in case of default or breach by any party are cumulative and shall not affect, except as limited by this Agreement, any remedies that a party may have by reason of such default or breach. The exercise of any right or remedy herein provided shall be without prejudice to the right to exercise any other right remedy provided herein, at law or in equity.

16. Descriptive Headings

The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

17. Severability and Waiver

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. Any waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of the Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on one or more occasions will not be construed as a waiver or deprive that party of the right thereafter to insist upon adherence to that term or any other term of this Agreement.

18. Dispute Resolution/Arbitration

A. In the event of any dispute arising under this Agreement, including any allegation of breach and any failure to reach mutual agreement hereunder, the parties shall refer the matter for consideration and solution by the responsible executives of the parties. Either party may commence such proceedings by delivering to the other party a written request for such a meeting. Such request shall describe the dispute and identify the requesting party's responsible executive for purposes of resolving the dispute. The party receiving such a request shall have seven (7)

calendar days to designate its responsible executive for the dispute in writing to the requesting party. The responsible executives shall meet within fifteen (15) calendar days, at such time and place as may be mutually agreed to by the parties. The responsible executives shall use commercially reasonable efforts to resolve the dispute within fourteen (14) days following their meeting.

B. All controversies, disputes or claims arising out of or relating to this Agreement or breach thereof which has not be amicably settled by the parties shall be finally settled by arbitration held under the rules of the International Chamber of Commerce (hereafter referred to as the Rules). The place or arbitration shall be Washington D.C. The arbitration shall be conducted in the English language by three arbitrators. Each party shall be entitled to designate one arbitrator. The claimant shall nominate its arbitrator in its Request for Arbitration and the respondent shall nominate its arbitrator within twenty (20) days of receipt of the Request for Arbitration. The third arbitrator shall be designated in accordance with the Rules. In the event that either party fails to appoint an arbitrator, the rules in relation to appointment of arbitrators shall apply.

C. The arbitration award shall be final and binding on the parties and shall be enforced in accordance with its terms. In the course of such arbitration, this Agreement shall be continuously performed except with respect to the part hereof which is the subject of, or which is directly and substantially affected by, the arbitration. In any such arbitration proceeding, any legal proceeding to enforce any arbitration award and any other legal action between the parties pursuant to or relating to this Agreement or the transactions contemplated hereby, both parties expressly waive the defense of sovereign immunity and any other defense based on the fact or allegation that it is an agency or instrumentality of a sovereign state.

D. Any monetary award shall be made payable in immediately available funds, in U.S. Dollars through a bank account selected by the recipient of such an award, free of any withholding tax or other deduction, with interest thereon from the date the award is granted to the date it is paid in full at the prime rate of interest as reported from time to time in the U.S. edition of the Wall Street Journal. The prevailing party to any arbitration conducted under this Agreement shall be entitled to recover from the other party, as part of the arbitral award or order, its reasonable attorneys' fee and other costs of arbitration.

19. Choice of Law

This Agreement shall be governed in accordance with the laws of the State of Delaware, United States of America, without regard to any provision that would result in the application of the laws of any other jurisdiction. The parties specifically disclaim the UN Convention on Contracts for the International Sale of Goods.

20. Export

Value Added Reseller shall not export, directly or indirectly, any equipment, information or technical data under this Agreement to any individual or country for which the U.S. Government at the time of export requires an export license or other governmental approval without first obtaining such license or approval. Value Added Reseller shall indemnify, defend and hold LLC harmless and reimburse LLC of, from, for and against all claims, demands, damages, costs, fines, penalties, attorneys' fees and other expenses arising from Value Added Reseller's failure to comply with this Article.

21. Force Majeure

Neither Party shall be in default of this Agreement if its performance or obligation hereunder is delayed or becomes impractical by reason of any act of God, war, fire, accident, or any other cause beyond such Party's control.

22. Entire Agreement; Rights of Third Parties

This Agreement constitutes the entire agreement between the parties and supersedes any understandings, agreements, or representations by or between the parties, written or oral, made at any time prior to the Commencement Date that may relate in any way to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns.

23. Foreign Corrupt Practices Act

LLC and its operations are subject to the U.S. Foreign Corrupt Practices Act ("FCPA"), including the anti-bribery and corrupt payment provisions. Value Added Reseller agrees to comply with the provisions of the FCPA and to take no action that might cause LLC to be in violation of FCPA. Value Added Reseller agrees to furnish to LLC at any time upon request copies of all records concerning matters under FCPA and to contact LLC immediately if Value Added Reseller at any time has questions regarding the requirements and restrictions imposed by FCPA relative to performance by LLC hereunder.

Iridium Satellite LLC	**AirCell, Inc.**
Signature:	Signature:
/s/ Donald Thomas	/s/ Todd Londa
Print Name:	Print Name:
Donald Thomas	Todd Londa

IRIDIUM SYSTEM PRACTICES

I. IRIDIUM SERVICES

1. LLC will provide Value Added Reseller with Iridium product and service information. Value Added Reseller will represent Iridium products and services in accordance with stated performance and functionality.
2. Value Added Reseller will only release information to the public relating to the Iridium system or its performance pursuant to Iridium LLC approved guidelines.

II. IRIDIUM SUBSCRIBER EQUIPMENT

1. Iridium Data Modules and other subscriber equipment shall be obtained only from an Iridium qualified manufacturer or from an Iridium qualified distributor. Value Added Reseller will only distribute Iridium approved equipment to Iridium subscribers.
2. Value Added Reseller agrees to establish appropriate Iridium subscriber equipment and SIM card inventories based upon sales forecasts.
3. Value Added Reseller will provide LLC its SIM Card orders for submission to the manufacturer.
4. Before distributing any Iridium subscriber equipment Value Added Reseller will ensure that (a) Iridium subscriber equipment with an IMEI number is listed on the Local Equipment Identity Register (LEIR) and Centralized Equipment Identity Register (CEIR) White List, (b) the Iridium subscriber equipment has been type approved and (c) Iridium network access is approved.
5. Value Added Reseller will obtain Iridium subscriber equipment in accordance with LLC's published Product Sales Terms which are in effect as of the date of Value Added Reseller's order for IDM. LLC's current Product Sales Terms will be published on the Iridium extranet available to Value Added Reseller. Iridium may, from time to time and in its sole discretion, publish revisions to the Product Sales Terms and such revisions shall be in effect immediately upon their publication. Exhibit G identifies IDMs which are available for purchase by Value Added Reseller.

III. CUSTOMER PROVISIONING AND ACTIVATION

1. Value Added Reseller will not allocate SIM cards to its subscribers until it receives confirmation from LLC of successful loading of SIM Card Data into the LLC Business System.
2. Value Added Reseller will allocate, where applicable, specific MSISDNs, IMEIs and SIM card serial numbers according to Iridium service type designations as determined by LLC. Certain ranges of numbers have been designated for specific Iridium services and must only be utilized for those services (i.e. one range of MSISDNs has been designated for voice, and data, while another range of MSISDNs has been designated for messaging service).

3. Value Added Reseller will observe an adequate quarantine period for the reuse of MSISDNs and other allocated Iridium numbers, as determined by LLC.

4. Using SPNet, Value Added Reseller will submit, for each subscriber, a service activation request (through SPNet). If SPNet is unavailable, Value Added Reseller will manually complete a Service Activation Request and fax it to LLC for processing.

5. Value Added Reseller will validate the accuracy of all successful service activations and correct any erroneous or missing information. If the activation is unsuccessful, a request for activation shall be corrected and re-submitted via SPNet (or FAX if SPNet is not available).

6. Value Added Reseller will maintain and communicate basic network related data on Iridium subscribers including, where applicable, IMSIs, MSISDNs, service types, feature selections, IMEIs, as well as Subscriber activation date, suspension date, deactivation date, and reactivation date.

7. An Equipment Identification Register (EIR) will be used by the Iridium System for Iridium subscriber equipment. The EIR is a database that specifies equipment status and is maintained to minimize fraud resulting from use of lost or stolen Iridium subscriber equipment. Value Added Reseller will be responsible for notifying LLC of lost or stolen Iridium subscriber equipment and for implementing an EIR management process to be approved by LLC.

8. Value Added Reseller and LLC will define procedures for the exchange of billing records and related information.

9. [***]

10. [***]

IV. CUSTOMER CARE

1. Value Added Reseller will maintain customer care capabilities during appropriate business hours normal for the vertical market(s) served for its customers, but in no event less than 40 hours per week, in order to respond to general inquiries, billing inquiries and provisioning or network issues.

2. LLC will provide support to the Value Added Reseller for network issues and SPNET functionalities during the following schedule (all calls will be answered as they come into Tier II; if a call is routed to voicemail, the call will be returned within 10 minutes):

   Physical coverage hours are as follows (with the exception of Thanksgiving Day and Christmas Day):

   Sunday 10:00 PM - Monday 7:00 PM (AZ Time)
   Monday 10:00 PM - Tuesday 7:00 PM (AZ Time)
   Tuesday 10:00 PM - Wednesday 7:00 PM (AZ Time)
   Wednesday 10:00 PM - Thursday 7:00 PM (AZ Time)
   Thursday 10:00 PM - Friday 7:00 PM (AZ Time)

   After Hours coverage are as follows (any voicemails left during this timeframe will be returned within 30 minutes by the on call Tier II representative):

   Monday - Thursday 7:00 PM- 10:00 PM (AZ Time)
   Saturday 7:00 AM - 4:00 PM (AZ Time)
   Sunday 7:00 AM - 4:00 PM (AZ Time)

   All other hours are considered Non coverage hours, during this time Value Added Resellers will have the option to leave a voicemail and the call will be returned during the next covered (physical or after hours) time frame.

   LLC reserves the right to modify the Physical coverage hours. Value Added Resellers will be given 3 business days advance notice via email.

3. Prior to taking any subscriber account-specific action or answering any subscriber account-specific inquiry, Value Added Reseller in connection with such inquiries, will verify the following information:

   a. The caller’s identity

   b. The caller’s authorization to request account-specific information or make account changes

4. Value Added Reseller will provide each customer with the customer care telephone number[s] of the Value Added Reseller.

5. Value Added Reseller will provide its direct dial customer care telephone number to LLC.

6. Value Added Reseller will keep LLC currently advised of any significant subscriber contract changes such as:

   a. Service offering/feature additions or removals

   b. Contract suspension/reactivation

   c. Contract deactivation

   d. Lost or stolen subscriber equipment/SIM Card

   e. Reason code for deactivation

7. Upon notification of lost or stolen Iridium subscriber equipment or SIM Card, Value Added Reseller will promptly notify LLC so that the identified equipment can be blacklisted and the SIM card suspended or deactivated. When any Iridium subscriber equipment with an IMEI is reported lost or stolen, Value Added Reseller must notify LLC within one hour of receiving the report.

8. Value Added Reseller will attempt to resolve a subscriber's problem on the initial call. Value Added Reseller shall be responsible for resolving all subscriber problems related to the IDM Solution. If Value Added Reseller determines that a problem cannot be resolved at the Value Added Reseller level and is related to the IDM or the Iridium network, it will promptly create and submit a Trouble Ticket to LLC.

9. Value Added Reseller shall prepare a Trouble Ticket for each Iridium subscriber call that identifies any problem with respect to call quality, disruption of service or network access and submit the Trouble Ticket to LLC.

10. If Value Added Reseller originates a Trouble Ticket it is the only entity authorized to close that particular Trouble Ticket, based upon advice and clearance from LLC and when closing a Ticket, Value Added Reseller will ensure that the identified problem and its resolution are documented and that the Subscriber is contacted and satisfied with the resolution.

11. Value Added Reseller will attempt to resolve any subscriber billing inquiry or billing dispute on the initial call. If Value Added Reseller cannot resolve a billing dispute, Value Added Reseller will complete a Trouble Ticket. A copy will be made of the Subscriber's invoice and both the billing Trouble Ticket number and the items in dispute shall be noted on the copy of the invoice. The billing Trouble Ticket and related documentation of any unresolved billing inquiry will be submitted to LLC for review, and support if requested.

12. If Value Added Reseller does not agree with the clearance of a billing Trouble Ticket by LLC, Value Added Reseller should promptly contact LLC to request further investigation or assistance in the resolution of the billing issue.

13. Value Added Reseller shall provide the following customer support services to Iridium and/or customers for the IDM Solution:

Customer Service and Support Requirement:	**Iridium**	**VAR**	**End Users**
Customer care call in service during Value Added Reseller's normal business hours available to respond to general inquiries, troubleshooting or equipment issues.	**X**	**X**	**X**
Repair and warranty information, policies, and procedures.	**X**	**X**	**X**
Technical support contact information, escalation process and Service Level Agreement.	**X**	**X**	**X**
Customer care trouble shooting documentation.	**X**	**X**	
Field service bulletins, tech notes, list of known defects/bugs (updated quarterly).	**X**	**X**	
Collateral marketing materials for use during trade shows and for access from Iridium's extranet.	**X**	**X**	
Trade show support, as requested.	**X**	**X**	

V. CANCELLATION OF AGREEMENTS WITH VALUE ADDED RESELLERS

Upon cancellation or termination of the Value Added Reseller Agreement, Value Added Reseller will relinquish all unassigned Iridium MSISDN, MIN, and IMSI numbers and return Iridium SIM cards in its inventory to LLC and discontinue use of the Iridium trademark and logo.

VI. LICENSE ACQUISITION

1. [***]
2. Value Added Reseller shall comply with all laws, regulations, standards, and codes applicable to its provision of Iridium services, and alert LLC to any potential impact that such compliance may have on the provision of Iridium services by Value Added Reseller.

VII. TRADEMARK AND BRANDING GUIDELINES

LLC owns and controls the use of the Iridium brands and trademarks. Value Added Reseller will use LLC's current or future brands and/or trademarks only as authorized by and provided for in the Iridium Graphics Standards. Any deviation from the Standards will require the prior written consent of LLC. Any written request will be submitted through LLC.

VIII. CALL INTERCEPT

Value Added Reseller shall provide Iridium subscriber information to LLC, or to any authorized government entity, to the extent required to comply with national sovereignty requirements affecting Iridium Data Services.

IX. SECURITY AND FRAUD PROTECTION

1. Value Added Reseller will establish security measures to minimize the potential for any unauthorized or fraudulent access to the Iridium Business Support Systems (IBSS). LLC will provide Value Added Reseller with the following types of security/fraud-related information:
    a. Any use of the Iridium system/network/services that appears in LLC judgment to be fraud-related and to require Value Added Reseller participation in further investigation, and
    b. Identification of suspended Subscriber Identity Module (SIM) cards or other Iridium subscriber equipment that could impact Value Added Reseller.
2. Value Added Reseller will establish and implement an effective inventory security program to protect any Iridium subscriber equipment stored at the Value Added Reseller's location, as well as on order or in transit from a manufacturer/distributor. An effective inventory security program will include:
    a. Positive identification of the subscriber, or the subscriber's authorized representative, prior to distributing any Iridium subscriber equipment or any Subscriber Identity Module (SIM) card that has been activated on the Iridium network.

b. Periodic reconciliation of inventory records of purchases, receipts, and distributions of Iridium subscriber equipment against actual purchases, receipts, and distributions of Iridium subscriber equipment.

3. Value Added Reseller will promptly provide LLC with the following types of security/fraud-related information that Value Added Reseller becomes aware of:

   a. Confirmed subscription fraud involving the use of the Iridium System and Services.

   b. Any use of the Value Added Reseller Intranet Solution (SPNet), Trouble Ticket System, and Operations Data Network (ODN) that appear in the Value Added Reseller's judgment to be fraud-related and could adversely impact the security of Iridium operations.

   c. Identification of any lost or stolen Subscriber Identity Module (SIM) Cards and other Iridium Subscriber Equipment.

   d. Any unethical activity by Value Added Reseller employees, vendors, dealers, agents and subscribers that could adversely impact Iridium operations.

4. Value Added Reseller will not be relieved from payment due LLC for use of Iridium Services, or for use of other elements of the Iridium System, which result from fraud on the part of its subscribers or within the Value Added Reseller organization.

X. FINANCIAL SETTLEMENT

A Subscriber's failure to pay (bad debt) will not relieve Value Added Reseller of its obligation to pay LLC unless the refusal to pay is finally attributed to an interruption in the Iridium system.

1. Value Added Reseller will have financial responsibility for the bad debt of its subscribers.

2. If Value Added Reseller is legally obligated to collect taxes from its Iridium subscribers, the taxes shall be separately stated on each invoice and shall be added to the price charged.

3. If Value Added Reseller is obligated by applicable tax laws to withhold a portion of any payment due LLC for Iridium gateway services, the payment amount shall be increased to an amount such that, after payment of the withholding amount to the appropriate authorities, the amount received by LLC is equal to the amount set forth on the invoice, including taxes.

4. Value Added Reseller will take reasonable and legally permissible steps to minimize taxes charged and withheld for Iridium services.

5. At the inception of the Value Added Reseller Agreement, Value Added Reseller will furnish its most recent annual audited Financial Statement. In the event an audited Statement is not regularly prepared for Value Added Reseller, it shall

furnish its Financial Statement with a certification of accuracy by its Chief Executive Officer. Thereafter, Value Added Reseller will provide, not more than monthly, updated financial information as reasonably requested by LLC.

REGULAR REPORTS

1. Quarterly Reports

[***]

2. Confidentiality

All information provided pursuant to the Report requirements shall be subject to the Confidentiality provisions of the Agreement. In particular, information provided by Value Added Reseller concerning identity of Subscribers is proprietary to and the sole and exclusive property of Value Added Reseller and acknowledged by LLC to be of substantial value. Such information shall not be used by LLC in any form or manner to compete with Value Added Reseller in the provision of mobile satellite communications service to such Subscribers. In the event of termination of the Agreement, the ownership and use of such information shall be strictly governed by the provisions of Section 11 of the Agreement.

3. Yearly Plan

[***]

IRIDIUM SERVICES RATES — CIRCUIT SWITCHED DATA

This annex sets forth current Iridium wholesale data service rates (all prices in United States of America Dollars [US$]).

1. CHARGES FOR SATELLITE CALLS BILLED IN 20 SECOND INCREMENTS

[***]

2. PSTN-IDM CHARGES

PSTN to Iridium prices (PSTN-IDM) will be set by the individual PSTN carriers.

3. VALUE ADDED SERVICES INCLUDED IN SIM CARD SUBSCRIPTION MONTHLY FEE

[***]

4. ACTIVATION CHARGES

[***]

5. TAXATION

Prices do not include any taxes. Taxes, if applicable, will be itemized and included separately.

6. DEFINITIONS

IDM	Iridium Data Module
IDM-PSTN	Call-type: Origination of a data call via the Iridium satellite network terminating PSTN or PLMN.
IDM-IDM	Call-type: Origination of a data call via the Iridium satellite network terminating another Iridium Data Module.
Iridium Satellite	Iridium Satellite Service gives the customer access to the Iridium satellite network
MSISDN	Mobile Subscriber Integrated Services Digital Network number (the Iridium phone number assigned to a voice subscriber)
MO	Mobile Originated
MT	Mobile Terminated
PSTN	Public Switched Telephone Network. The public, land-based telephone network.
PSTN-IDM	Call-type: Origination of a data call via PSTN or PLMN terminating an Iridium Data Module. The relevant pricing for this call type is set by the PSTNs and PLMNs respectively.
PSTN Terminating Charges	The per minute rate paid to the landline carrier to carry Iridium traffic from the gateway to the final destination of the data call.
SIM	Subscriber Identity Module

IRIDIUM SERVICES RATES — CIRCUIT SWITCHED DATA USING RUDICS

This annex sets forth current Iridium wholesale data service rates for calls originated or terminated using RUDICS (all prices in US$).

1. CHARGES FOR SATELLITE CALLS VIA RUDICS BILLED IN 20 SECOND INCREMENTS

[***]

2. RUDICS Fees

The table below details one-time, recurring and per occurrence fees applicable for integrating with the Iridium RUDICS capability and for continuing monthly service. Prices are in US$.

[***]

3. VALUE ADDED SERVICES INCLUDED IN SIM CARD SUBSCRIPTION MONTHLY FEE

[***]

4. ACTIVATION CHARGES

[***]

5. TAXATION

Prices do not include any taxes. Taxes, if applicable, will be itemized and included separately.

6. DEFINITIONS

IDM	Iridium Data Module
IDM-RUDICS	Call-type: An IDM originates a data call via the Iridium satellite network terminating via the RUDICS capability.
RUDICS-IDM	Call-type: A call originated from RUDICS terminating at an IDM via the Iridium satellite network.
Iridium Satellite	Iridium Satellite Service gives the customer access to the Iridium satellite network
MSISDN	Mobile Subscriber Integrated Services Digital Network number (the Iridium phone number assigned to a subscriber)
MO	Mobile Originated
MT	Mobile Terminated
RUDICS	Router based Unrestricted Digital Interworking Connectivity Solution. [RUDICS allows digital data connections via the Iridium Gateway without using the PSTN.]
SIM	Subscriber Identity Module

IRIDIUM SERVICES RATES — SHORT BURST DATA

This annex sets forth current Iridium wholesale data service rates for Short Burst Data. (All prices are in United States of America Dollars [US$]).

1. CHARGES FOR SHORT BURST DATA TRANSACTIONS BILLED BASED ON BYTE USAGE

[***]

2. ACTIVATION CHARGES

[***]

3. INCREMENTAL DISCOUNT PLAN

[***]

Example: [***]

4. TAXATION

Prices do not include any taxes. Taxes, if applicable, will be itemised and included separately.

5. DEFINITIONS

IDM	Iridium Data Module
MT	Mobile Terminated
MO	Mobile Originated
SIM	Subscriber Identity Module
MSISDN	Mobile Subscriber Integrated Services Digital Network number (the Iridium phone number assigned to a voice subscriber)

IRIDIUM SATELLITE LLC VALUE ADDED RESELLER QUALIFICATIONS

1. Iridium Distribution Strategy

Iridium Satellite LLC (Iridium) Data Services and Iridium Data Modules are sold around the world by a carefully selected group of Value Added Resellers. Value Added Resellers are selected on the basis of their knowledge and familiarity with the commercial satellite or wireless data communications marketplace, market sales coverage and their demonstrated successful history of selling such data services.

Iridium's success is largely attributable to the establishment of its global distribution network that results in the sale of Iridium services together with the essential follow-on quality customer care. Iridium's distribution strategy also encompasses policies to ensure that the Iridium business remains attractive and profitable for its Value Added Resellers. Accordingly, each candidate Value Added Reseller is carefully evaluated, in addition to other considerations, in terms of ability to contribute to Iridium's success. In addition to a variety of other factors, careful consideration is given to whether the addition of such candidate as a Value Added Reseller would complement Iridium's existing distribution network as well as add strategic value to Iridium's sales and service activities.

Beyond the critically important requirement of a contribution to Iridium's sales success, there are also essential business operations functions which must be performed by each Iridium Value Added Reseller. Those functions are briefly described in the following Sections 2 – 4.

2. Value Added Reseller Functions

2a. Required Internal Capabilities

The following capabilities must be present in the candidate Value Added Reseller's organization:

Technical capabilities

- Engineering design, test and integration of wireless data terminals
- Satellite or wireless data system engineering
- Wide Area Networking
- PC server, database, application software
- Established application specific expertise relating to the customers application and vertical market
- Established, technical capabilities using other wireless and satellite networks for data applications

Technical staff must be an employee of the Value Added Reseller. Subcontracting to an outside integrator is acceptable provided the subcontractor is adequately supervised by the Value Added Reseller.

Provides Tier I and Tier II support for the IDM Solution

Physical Assets

- Dedicated data center in operation for a minimum of two years
- Dedicated laboratory for product development

Business capabilities

- Specific experience in the vertical market targeted

Established track record in vertical market with existing customer base

Business staff must be employees of the Value Added Reseller. Subcontracting is acceptable provided the subcontractor is adequately supervised by the Value Added Reseller.

Prospective Value Added Resellers should have at least thirty salaried employees

Financial Capability

[***]

Company must have financing for current business plan for the next two years

IDM Solution: Prospective Value Added Resellers must provide a detailed business plan indicating the applications and markets that they wish to serve.

2b **Required Internal or Outsourced Capabilities**

The following functions can be performed within the Value Added Reseller organization or outsourced via 3rd parties. Value Added Reseller shall maintain:

Customer Care functions

Hours of operation to be appropriate business hours for the vertical market or industry served, but in no event less than 40 hours per week

Separate number into customer care, with voicemail account

Ability to answer: general inquiries, billing inquiries, general inquiries regarding Iridium Data Services, service/contract changes

Ability to provide technical and general troubleshooting for all commercially offered Iridium Data Services

Iridium products for use by customer support personnel to perform troubleshooting functions

Customer support personnel have access to SPNet for account status information

Customer history tracking database (either through billing system or separate systems)

Activation and Provisioning functions:

Multiple trained personnel who are familiar with Iridium SPNet

Financial functions:

Accounts Receivables

Accounts Payable

Invoicing — Revenue Assurance

Information Technology:

[***]

Trainer

- Responsible for attending Iridium's training and train own internal personnel
- Responsible to train own internal personnel on all aspects supporting the Iridium customer
- Ability and program to train dealers and agents (when applicable)

Product Logistics

- Ordering Inventory
- Tracking Inventory
- Shipping Inventory

3. Internet Access / Connectivity and Iridium Extranet Access for:

Customer Care organization

Provisioning and Activation organization

IT/Billing

Sales and Marketing

4. Training

At least 2 people from the operations organization within the company and/or the company's technical trainer to attend Iridium Operations training. The training encompasses both Activation and Provisioning of subscribers as well as Customer care and troubleshooting techniques.

At least 2 people from the sales organization within the company and/or the company's sales training manger to attend Sales training. The training encompasses the features and functions of Iridium's data products and data services and identifies the strengths of Iridium's product and service offering which differentiates it from competitor's offerings.

Iridium's training programs are conducted at Iridium's offices at Tempe, Arizona where the tools and facilities required to ensure proper training, as well as subject matter experts, are located. Under circumstances in which Arizona is not practical, Iridium will cooperate in exploring terms under which the training could be delivered in another location.

IRIDIUM DATA SERVICES

This annex sets forth the Iridium Data Services that the Value Added Reseller is authorized to sell.

1. SERVICES

[***]

2. DEFINITIONS

IDM	Iridium Data Module
IDM-PSTN	Call-type: Origination of a data call via the Iridium satellite network terminating PSTN or PLMN.
IDM-IDM	Call-type: Origination of a data call via the Iridium satellite network terminating another Iridium Data Module.
PSTN	Public Switched Telephone Network. The public, land-based telephone network.
PSTN-IDM	Call-type: Origination of a data call via PSTN or PLMN terminating an Iridium Data Module. The relevant pricing for this call type is set by the PSTNs and PLMNs respectively.
RUDICS	Router based Unrestricted Digital Interworking Connectivity Solution
IDM-RUDICS	Call-type: Origination of a data call via the Iridium satellite network terminating via RUDICS.
RUDICS -IDM	Call-type: Origination of a data call via RUDICS terminating via the Iridium satellite network.

AUTHORIZED GEOGRAPHIC AND VERTICAL MARKET TERRITORIES

[***]

Iridium Data Modules (IDM)
Product List

The table below lists the available IDMs to Value Added Reseller by description, part number and pricing. This information is subject to change as specified in Exhibit A of the Agreement.

This table has been replaced and information is furnished and updated on the Iridium Developer web site: http://developer.iridium.com.

Solution Certification

H.1 Certification Process. Each Solution, or enhancement to a Solution, must be certified by LLC prior to its commercial sale or commercial use over the Iridium Communications System as evidenced by Value Added Reseller's receipt of a Certification Letter from LLC. LLC's issuance of a Certification Letter will be based upon the following steps: 1) testing of the Solution in the intended configuration, in both laboratory and live test environments; 2) availability of solution documentation; 3) training of customer support and distribution personnel; and 4) receipt of required regulatory approvals and solution labeling with appropriate regulatory marks. If any of the previous activities have not been completed, LLC may, in its sole discretion, provide a list of items that Value Added Reseller must remedy in order to receive a Certification Letter. Upon successful completion of the certification process described above, LLC will issue a Certification Letter and the Solution may be offered commercially without further restrictions.

Following LLC's issuance of a Certification Letter and in the event that a significant Solution defect (including a significant network or system defect which can reasonably be attributed to the Solution) is subsequently identified, LLC reserves the right to withdraw its Certification Letter at any time. In this event, Value Added Reseller shall work to remedy the defect in a timely manner and shall cooperate with LLC to perform any recommended testing as deemed necessary by LLC for re-certification of the Solution. Following the withdrawal of a Solution's Certification Letter, Value Added Reseller agrees that its shall immediately withdraw the Solution from commercial availability and shall not offer the Solution for sale until a new Certification Letter has been issued by LLC.

H.2 Certification Testing Requirements. For the certification of each Solution, the following testing requirements shall apply:

- Value Added Reseller shall document, and supply to LLC a copy of, a formal test plan in conjunction with information received from LLC on applicable tests;
- Value Added Reseller shall document information relating to planned commercial deployment of the Solution including quantity of units, geographic density of deployed units, network usage, and events or schedules that will trigger usage of the network.
- Value Added Reseller shall test the Solution to include data test calls and a record shall be maintained of calls made and type of call (specify type of data calls);
- Value Added Reseller shall connect as many different call scenarios and call types as practical with a target goal of executing [***];
- [***]
- [***]
- Documented test results shall include detailed information on calls made [***]
- Value Added Reseller shall provide LLC with a same-day report of any potential defects or abnormal scenarios encountered during testing, including the problem, the call scenario when the problem occurred, the test configuration, and other relevant observations;

- [***];
- Value Added Reseller shall supply to LLC the Solution in a commercial hardware and software configuration (as well as any necessary support applications or hardware required to test the Solution) for testing in a live system environment at LLC facilities or at LLC's sole discretion LLC may designate an alternate facility if the Solution is too complicated or impractical to install and test at LLC facilities;
- LLC shall make available, at LLC's discretion, the necessary test resources and facilities for the purpose of testing the Solution in the live system environment;
- LLC shall provide Value Added Reseller with success metrics as required to achieve the Solution performance component of certification.

At the request of Value Added Reseller, LLC may elect to waive one or more of the above certification testing requirements when LLC determines that the customer requirements specific to the Solution have been otherwise fully satisfied.

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***].

IRIDIUM

Iridium Satellite LLC
6701 Democracy Blvd., Suite 500
Bethesda, Maryland 20817
USA
T: +1-301-571-6200
F: +1-301-571-6250

23 December, 2005

Bill Peltola
Vice President
Aircell, Inc.
1172 Century Drive
Building B, Suite 280
Louisville, CO 80027

TOPIC: RUDICS Airtime Pricing [***]

Iridium has experienced phenomenal growth over the past few years. When we launched the business in 2001, we focused on our core strengths at the time: low-cost satellite voice services and equipment. Shortly thereafter, and in response to market demand, our focus broadened to include satellite data communications. Now, with the emergence of new technologies such as Bluetooth and Wi-Fi, Iridium has also expanded its reach into other applications and markets through our partnerships with value added developers, resellers and manufacturers. As Iridium's data offerings enable specialized embedded applications, we are positioning ourselves as a strong competitor in the market for satellite data services. [***]

Iridium's equipment pricing provides users with a low-cost option for satellite data communications. [***].

If you have any questions please contact your Channel Manager or Global Alliance Manager.

Sincerely,

/s/ Greg Ewert
Greg Ewert
EVP, Sales, Marketing & Business Development

IRIDIUM GLOBAL VALUE ADDED RESELLER AGREEMENT AMENDMENT

Acknowledgement of Receipt

This Amendment to the Iridium Global Value Added Reseller Agreement ("VAR Agreement") between Iridium Satellite LLC, and AirCell Inc. (hereinafter the "Agreement") is dated December 23, 2005. Except as expressly amended hereby, the terms and provisions of the VAR Agreement shall continue in full force and effect.

Exhibit C of the VAR Agreement is hereby amended and replaced with Attachment A to this Agreement.

Acknowledgement of Receipt:

AirCell Inc.

Signature:

/s/ Bill Peltola

Print Name: Bill Peltola

Date: 1/4/06

Please return this completed acknowledgement to:

Iridium Satellite LLC
Attn: David Wigglesworth
6701 Democracy Blvd, Suite 500
Bethesda, MD 20817
USA

Phone +1-301-571-6200

Attachment A

Exhibit C Section 2
(Global Value Added Reseller Agreement)

IRIDIUM SERVICES RATES — CIRCUIT SWITCHED DATA USING RUDICS

This annex sets forth current Iridium wholesale data service rates for calls originated or terminated using RUDICS (all prices in US$).

1. CHARGES FOR SATELLITE CALLS VIA RUDICS BILLED IN 20 SECOND INCREMENTS

The table below details call rates for data calls via the Iridium satellite network terminated or originated using RUDICS. Prices are in US$ and are shown on a per minute basis. There are charges to the Iridium subscriber for both Mobile Originated and Mobile Terminated calls.

[***]

2. RUDICS Fees

3. The table below details one-time, recurring and per occurrence fees applicable for integrating with the Iridium RUDICS capability and for continuing monthly service. Prices are in US$.

[***]

4. VALUE ADDED SERVICES INCLUDED IN SIM CARD SUBSCRIPTION MONTHLY FEE

[***]

5. ACTIVATION CHARGES

[***]

6. TAXATION

Prices do not include any taxes. Taxes, if applicable, will be itemised and included separately.

7. DEFINITIONS

IDM	Iridium Data Module
IDM-RUDICS	Call-type: An IDM originates a data call via the Iridium satellite network terminating via the RUDICS capability.
RUDICS-IDM	Call-type: A call originated from RUDICS terminating at an IDM via the Iridium satellite network.
Iridium Satellite	Iridium Satellite Service gives the customer access to the Iridium satellite network
MSISDN	Mobile Subscriber Integrated Services Digital Network number (the Iridium phone number assigned to a subscriber)
MO	Mobile Originated
MT	Mobile Terminated
RUDICS	Router based Unrestricted Digital Interworking Connectivity Solution. [RUDICS allows digital data connections via the Iridium Gateway without using the PSTN.]
SIM	Subscriber Identity Module

Exhibit 10.2.1

EMPLOYMENT AGREEMENT

This Employment Agreement (this "***Agreement***") is entered into on this 29th day of July , 2010 (the "***Effective Date***") by and between **AIRCELL HOLDINGS INC**. (the "***Parent***"), **AIRCELL LLC**, 1250 N. Arlington Heights Road, Suite 500, Itasca, IL 60143 (the "***Company***"), and **MICHAEL J. SMALL**, [address on file with the Company] ("***Executive***"). Upon the occurrence of the Effective Date, this Agreement shall supersede and replace all other agreements, whether oral or written, related to the terms of Executive's employment with the Company, including, but not limited to, that certain offer letter dated February 3, 2010. Certain capitalized terms used herein have the meanings given to them in Section 20 hereof.

AGREEMENT:

In consideration of the above recital, which is incorporated herein, and the mutual covenants contained herein, the parties agree as follows:

1. Employment. The Company hereby agrees to employ Executive, and Executive hereby accepts such employment upon the terms and conditions set forth herein and agrees to perform duties as assigned by the Company's Board of Directors.

2. Capacity and Duties. Executive shall be employed by the Company as President and Chief Executive Officer. During Executive's employment with the Company, Executive shall perform the duties and bear the responsibilities commensurate with Executive's position, and shall serve the Company faithfully and to the best of Executive's ability, under the direction of the Parent's Board of Directors. Executive's actions shall at all times be such that they do not discredit the Company or its products and services, and Executive shall not engage in any business activity or activities that require significant personal services by Executive or that, in the sole judgment of the Parent's Board of Directors, may with the proper performance of Executive's duties hereunder. Executive shall devote all of Executive's working time, working attention, and working energies to the business of the Company. Executive's service as a member of the Boards of Directors of PAX, Ceasefire New Jersey and First Midwest Bank, Inc. (Nasdaq symbol FMBI) is acknowledged, accepted and agreed to as exceptions to the foregoing. Executive shall also be elected to and serve as a member of Parent's Board of Directors.

3. Compensation.

(a) Base Salary and Bonus. The Company shall pay to Executive as base compensation for all of the services to be rendered by Executive under this Agreement a salary at the rate of $600,000 per annum (the "***Base Salary***"), payable in accordance with such normal payroll practices as are adopted by the Company from time to time, subject to withholdings for federal, state and local taxes, FICA and other withholding required by applicable law, regulation or ruling. The Base Salary shall be reviewed at least annually. Unless the Company and Executive mutually agree otherwise, Executive's annual salary shall not be reduced other than as part of an overall compensation reduction at the Company that impacts salaries of all executives of the Company and in such event shall not be reduced by more than 10% of Executive's then-current Base Salary. In addition, Executive shall be eligible for an annual bonus with a target of one hundred percent (100%) of Base Salary (the "***Target Bonus***"). The amount of such annual bonus, if any, shall be decided by the Board of Directors and shall be based upon achievement of both personal and corporate objectives; provided, however, that Executive's bonus with respect to 2010 shall be no less than $300,000. The annual bonus payable with respect to any fiscal year shall be paid no later than 2 1/2 months following the end of such fiscal year.

(b) Reimbursement of Expenses, Company Facilities. The Company shall pay or reimburse Executive for all reasonable, ordinary and necessary travel and other expenses incurred by Executive in the performance of Executive's obligations under this Agreement, in accordance with the Company's travel and expense reimbursement policies for management employees. The Company shall provide to Executive, at the Company's principal place of business, the necessary office facilities and equipment to perform Executive's obligations under this Agreement.

(c) Vacation and Personal Time Off. Executive shall be entitled to 24 days of paid time off (PTO) per calendar year.

(d) Benefits. Executive shall be eligible to participate in all normal company benefits including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms thereof.

(e) Directors and Officers Insurance. Officers and directors liability insurance shall be obtained and maintained by the Company for reasonable and customary coverage of the Company and Executive, at no cost to Executive.

(f) Stock Option Plan. Executive is entitled to receive a grant of options to purchase 8,357 shares of common stock of Parent (the "***Options***") on the terms set forth in Holdings' Stock Option Plan and the option agreement attached hereto as **Exhibit A**. The per share exercise price for the Options shall be $935.18, which the Parent's Board of Directors has determined is not less than the per share fair market value of the Parent's common stock as of the Options' date of grant.

(g) Relocation Benefits. Executive acknowledges receipt from Company of a payment in the amount of $100,000 which is intended to compensate Executive for certain relocation and temporary living expenses and for travel between Company's offices and his home prior to relocation. Executive acknowledges that Company has no further obligation to pay or reimburse Executive for any such expenses.

4. Confidentiality, Ownership of Confidential Information and Inventions.

(a) Receipt of Confidential Information. Executive's employment by the Company creates a relationship of confidence and trust between Executive and the Company with respect to certain information applicable to the business of the Company and its clients or customers. Executive acknowledges that during Executive's employment by the Company and as a result of the confidential relationship with the Company established thereby, Executive shall be receiving Confidential Information and that the Confidential Information is a highly valuable asset of the Company.

(b) Nondisclosure. During Executive's employment with the Company and at all times thereafter, regardless of the reason for the termination of such employment, Executive shall retain in strict confidence and shall not use for any purpose whatsoever or divulge, disseminate, or disclose to any third party (other than in the furtherance of the business purposes of the Company and with the Company's prior written consent) all Confidential Information, all of which is deemed confidential and proprietary.

(c) Disclosure. Executive shall inform the Company promptly and fully of all Inventions by a written report, setting forth in detail a description of the Invention, the procedures used and the results achieved. Executive shall submit a report upon completing any studies or research projects undertaken on the Company's behalf, whether or not Executive believes that project has resulted in an Invention. Executive agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all Inventions, which records shall be available to and remain the sole property of the Company at all times.

(d) Ownership; Cooperation. All Confidential Information and Inventions shall be and remain the sole property of the Company. Executive promptly shall execute and deliver to the Company any instruments deemed necessary by it to effect disclosure and assignment of all Inventions to the Company including, without limitation, assignment agreements satisfactory to the Company. Upon request of the Company, during and after Executive's employment with the Company, Executive shall execute patent, copyright, trademark, mask work or other applications and any other instruments deemed necessary by the Company for the prosecution of such patent applications or the acquisition of letters patent or registration of copyrights, trademarks or mask works in the United States and foreign countries based on such Inventions, *provided*, *however*, that if Executive incurs any expenses in connection with the foregoing obligation after Executive's employment with the Company is terminated, the Company shall compensate Executive at a reasonable rate for the time actually spent by Executive at the Company's request in satisfying such obligation.

(e) Works for Hire. To the extent the Inventions consist of original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment and which are protectable by copyright, Executive acknowledges that all such original works of authorship are "works for hire" as that term is defined in the United States Copyright Act (17 U.S.C., Section 101).

5. Covenants-Not-to-Compete. In consideration of Executive's continued employment as an executive of the Company and in consideration of the Company's obligations contained in this Agreement, including, without limitation, its agreeing to pay severance benefits in the circumstances specified in Section 9(a), and because Executive shall have access to Confidential Information, including, without limitation, Trade Secrets, Executive hereby covenants as follows:

(a) Covenants. Without the prior written consent of the Board, (x) during Executive's employment with the Company and (y) for one (1) year after leaving the employment of the Company, whether voluntarily or involuntarily, Executive shall not directly or indirectly, personally, by agency, as an employee, officer or director, through a corporation, partnership, limited liability company, or by any other artifice or device:

(i) Own, manage, operate, control, work for, provide services to, employ, have any financial interest in, consult to, lend Executive's name to or engage in any capacity in any enterprise, business, company or other entity (whether existing or newly established) engaged in a Competitive Business, whether in anticipation of monetary compensation or otherwise;

(ii) Solicit or otherwise induce any current or former employee of the Company or any of its Affiliates to terminate his or her employment with the Company or such Affiliate or to engage in any Competitive Business, or intentionally interfere with the relationship of the Company or any of its Affiliates with any such employee or former employee, it being understood that a general advertisement of employment opportunities to which a current or former employee of the Company or any of its Affiliates responds shall not constitute solicitation or inducement for purposes of this Section 5(a)(ii), or hire any such former employee within sixty days following his or her termination of employment with the Company or any of its Affiliates;

(iii) Solicit or service in any way in connection with or relating to a Competitive Business, on behalf of Executive or on behalf of or in conjunction with others, any supplier, client or customer, or prospective supplier, client, or customer, who has been solicited or serviced by the Company or any of its Affiliates; or

(iv) Assist others in doing anything prohibited by clause (i), (ii) or (iii) above; in each case anywhere in the United States. The covenants in this Section 5(a) shall be specifically enforceable. However, the covenants in this Section 5(a) shall not be construed to prohibit the ownership of not more than one percent of the equity of any publicly-held entity engaged in direct competition with the Company, so long as Executive is not otherwise engaged with such entity in any of the other activities specified in Section 5(a)(i) through (iv) above.

(b) Severability of Covenants. For purposes of this Section 5, Executive and the Company intend that the covenants contained in Section 5 shall be construed as separate covenants, one for each activity and each geographic area. If one or more of these covenants are adjudicated to be unenforceable, such unenforceable covenant shall be deemed eliminated from this Section 5 to the extent necessary to permit the remaining separate covenants to be enforced.

(c) Acknowledgment. Executive acknowledges that the covenants made by Executive in this Agreement are intended to protect the legitimate business interests of the Company and not to prevent or interfere with Executive's ability to earn a living.

6. Injunctive Relief; Legal Fees. If Executive violates any of the provisions of Section 4 or 5 hereof (the "***Applicable Sections***"), the Company shall be entitled to seek and, if awarded by a court or arbitrator, obtain immediate and permanent injunctive relief in addition to all other rights and remedies it may have, it being agreed that a violation of the Applicable Sections would cause the Company irreparable harm, and the damages which the Company would sustain upon such violation are difficult or impossible to ascertain in advance.

7. No Conflict. Executive represents and warrants to the Company that (a) Executive has not signed any employment agreement, confidentiality agreement, non-competition covenant or the like with any other employer and (b) Executive's employment with the Company will not violate any other agreement or arrangement Executive has or may have had with any other former employer. Executive covenants that under no circumstances shall Executive disclose to the Company or use for the benefit of the Company any confidential or proprietary information of any former employer or other third party, and Executive shall hold all such information in confidence, and shall comply with the terms of any and all applicable agreements between Executive and the third party with respect to such information.

8. Termination. Executive and the Company each acknowledge that either party has the right to terminate Executive's employment with the Company at any time for any reason whatsoever, with or without cause, pursuant to the following:

(a) Termination by the Company Without Cause. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice;

(b) Disability. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice, if Executive is prevented from performing Executive's duties by reason of illness or incapacity for a continuous period of 120 days;

(c) Death. Immediately upon the death of Executive; or

(d) Termination by the Company for Cause. Immediately upon a showing of "Cause", which for purposes of this Agreement shall mean Executive's (1) willful gross misconduct or gross or persistent negligence in the discharge of his duties; (2) act of dishonesty or willful concealment; (3) breach of his fiduciary duty or duty of loyalty to the Company; (4) a material breach of Section 4 or 5 hereof; (5) any other material breach by Executive of this Agreement, which breach has not been cured by

Executive within thirty (30) days after written notice of such breach is given to Executive by the Company; (6) commission of repeated acts of substance abuse which are materially injurious to the Company; (7) commission of a criminal offense involving money or other property of the Company (excluding traffic or other similar violations); or (8) commission of a criminal offense that would, if committed in the State of Illinois, constitute a felony under the laws of the State of Illinois or the United States of America. For purposes of this Agreement, an act or failure to act shall be considered "willful" only if done or failed to be done by Executive intentionally or in bad faith.

(e) Voluntary Resignation. Executive may terminate Executive's employment under this Agreement upon thirty (30) days' written notice to the Company. The Company, at its discretion, may waive the thirty (30) day notice requirement, and in such event shall be required to make any payments in lieu of notice.

(f) Resignation for Good Reason. Executive may terminate his employment under this Agreement immediately upon a showing of "Good Reason," which for purposes of this Agreement shall mean (1) a reduction by the Company in Executive's Base Salary beyond what is permitted by Section 3(a) or in his Target Bonus; 2) a material diminution of Executive's duties or responsibilities; (3) the Executive ceasing to report directly to Parent's Board of Directors; (4) the relocation of Executive's principal place of employment to a geographic location greater than thirty (30) miles from the Company's headquarters as of the Effective Date or (5) any material breach by the Company of its obligations to Executive hereunder; provided, however, that Executive may resign for Good Reason only if he has given the Company written notice of its breach and the Company has not remedied such breach on or before the 30th day following the Company's receipt of such notice.

9. Termination Benefits.

(a) Termination by the Company Without Cause or Resignation for Good Reason. If Executive is terminated under Section 8(a) or resigns for Good Reason under Section 8(f) , and upon execution of a separation agreement containing a general release of all claims against the Company, the Company shall pay Executive an amount equal to Executive's Base Salary under Section 3(a) at the time of such termination for a period of twelve (12) months ("***Severance Period***"), payable in installments, by direct deposit, in accordance with the Company's normal payroll practices, commencing on the sixtieth day following Executive's termination of employment. In addition, during the Severance Period, (i) should Executive timely elect to continue coverage pursuant to COBRA, the Company agrees to reimburse Executive for the COBRA premiums due to maintain health insurance coverage that is substantially

equivalent to that which he received immediately prior to Executive's termination, (ii) vesting of the Options and any other equity awards then held by Executive shall continue on the schedule set forth in the option agreement or other equity award agreement, and (iii) Executive's vested Options and other vested equity awards then held by Executive (including Options and other equity awards that vest pursuant to the preceding clause (ii)) shall remain exercisable; provided that no Option or other equity award shall remain exercisable following its expiration date as determined without reference to Executive's termination of employment. The Company shall also pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused PTO, (ii) any business expenses incurred but not reimbursed as of the date of termination, and (iii) any award under the annual bonus program referred to in Section 3(a) that has been approved by the Company's Board of Directors but not paid prior to termination.

(b) Other Termination. In all other cases, the Company's obligation to make payments hereunder shall cease upon such termination, except the Company shall pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused PTO, (ii) any business expenses incurred but not reimbursed as, of the date of termination, and (iii) any award under the annual bonus program referred to in Section 3(a) that has been approved by the Company's Board of Directors but not paid prior to termination.

(c) Survival of Obligations. Executive's obligations pursuant to Sections 4 and 5 shall survive the expiration of the term of Executive's employment under this Agreement or any early termination thereof

(d) Returns. Upon termination of Executive's employment under this Agreement, or as otherwise requested by the Company, immediately upon the Company's request, Executive shall return to the Company all Company files, notes, business plans and forecasts, financial information, computer-recorded information, tangible property including computers, software, credit cards, entry cards, identification badges, cell phones, pager, keys, tools, equipment and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof),

10. Notices. All notices, reports, records or other communications which are required or permitted to be given to the parties under this Agreement shall be sufficient in all respects if given in writing and delivered in person, by telecopy, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving party at the address listed on the first page of this Agreement, or to such other address as such party may have given to the other by notice pursuant to this Section 10.

In the case of any such communications to the Company, such communications shall also be delivered to the Board of Directors. Notice shall be deemed given on the date of delivery, in the case of personal delivery or telecopy, or on the delivery or refusal date, as specified on the return receipt, in the case of overnight courier or registered or certified mail.

11. Further Assurances. The parties shall cooperate fully with each other and execute such further instruments, documents and agreements, and shall give such further written assurances, as may be reasonably requested by one another to better evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intent and purposes of this Agreement. Without limiting the generality of the foregoing, Executive shall cooperate fully in assisting the Company to comply with contractual obligations of the Company to third parties regarding Inventions, Trade Secrets and copyrights.

12. Waiver of Breach. A waiver by the Company of a breach of any provision of this Agreement by Executive shall not operate or be construed as a waiver of any subsequent breach by Executive.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Any action pursuant to Section 4 or 5 above may be brought in the Courts in the State of Illinois, and by execution of this Agreement, Executive irrevocably submits to such jurisdiction.

14. Arbitration.

(a) Any dispute arising in connection with this Agreement or Executive's employment with the Company, except for equitable or injunctive actions pursuant to Section 4 or 5 above, or claims by Executive for workers' compensation, unemployment compensation or benefits under a Company benefits plan, shall be submitted to final and binding arbitration. Judgment upon any award rendered by arbitration may be entered in any court having jurisdiction thereof

(b) The arbitrator shall be selected by the mutual agreement of the parties. Any arbitrator selected shall be a professional having at least ten years of experience in labor or employment related practice areas. If the amount in dispute exceeds $250,000, the parties shall select, by mutual agreement, a panel of three arbitrators, rather than one arbitrator, to resolve the dispute.

(c) The arbitration shall be conducted in Chicago, Illinois (unless the corporate headquarters of the Company shall have been moved to another location, in which case the arbitration shall be conducted in such location). Reasonable discovery shall be permitted as determined by the arbitrator or arbitrators. Both parties to an arbitration shall have the right to be represented by counsel. The attorneys' fees and costs of the arbitrator and arbitration proceedings are to be shared equally between the parties, and all other costs and attorneys' fees are to be paid by the party incurring such costs and fees.

(d) Except as otherwise provided herein, this arbitration procedure is the exclusive remedy for any contractual, non-contractual or statutory claim of any kind, including claims arising under federal, state and local statutory law, including, but not limited to, the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 *et seq.*; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Employee Retirement Income Security Act, 29 U.S.C. § 1001 *et seq.*; the Illinois Human Rights Act, 75 ILCS § 5/1-101 *et seq.*; and common law or equitable claims alleging breach of contract, defamation, fraud, outrageous conduct, promissory estoppel, violation of public policy, wrongful discharge or any other tort, contract or equitable theory. Executive agrees to exhaust any and all internal dispute resolution procedures established by the Company prior to pursuing arbitration under this Agreement.

15. Severability. If any provision of this Agreement shall be held by any Court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the enforceability of all other provisions of this Agreement shall be unimpaired.

16. Binding Agreement. Executive shall not delegate or assign any of Executive's rights or obligations under this Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by Executive, the Company and Parent and the Company's and Parent's successors and assigns; provided, however, that the Company may not assign this Agreement to any other person or entity without the prior written consent of Executive except in connection with a sale, assignment or other transfer by the Company or Parent of all or a substantial portion of its assets or business, in each of which events assignment of this Agreement is expressly permitted without the consent of Executive.

17. Merger; Amendment. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and no other statement, representation, warranty or covenant has been made by either party except as expressly set forth herein. This Agreement may be amended at any time, provided that such amendment is in writing and is signed by each of the parties.

18. Nature of Employment. EXECUTIVE IS EMPLOYED WITH THE COMPANY FOR NO SPECIFIC TERM OF EMPLOYMENT, AND IS EMPLOYED AT THE WILL OF THE COMPANY. NOTHING IN THIS AGREEMENT SHALL IN ANY WAY RESTRICT EXECUTIVE'S RIGHT OR THE RIGHT OF THE COMPANY TO TERMINATE EXECUTIVE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR FOR NO REASON, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT NOTICE.

19. Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4). In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("***409A Penalties***"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by the Company under any applicable expense reimbursement policy, and shall be paid to Executive promptly following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during

any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit. Each installment payment hereunder shall be deemed to be a separate payment for purposes of Section 409A of the Code.

20. Definitions. In addition to terms defined above and elsewhere in this Agreement, the following terms shall have the meanings set forth below:

"***Affiliate***" means (i) any parent or subsidiary of the Company and (ii) any person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Company. For purposes of this definition, the terms "controls," "is controlled by" or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

"***Air-to-Ground Communication***" means (i) data and/or voice communications directly or indirectly between an aircraft and the ground, including communications between an aircraft and the ground transmitted in whole or in part by satellite, (ii) data and/or voice communications within an aircraft, including all communications to or from the cabin and/or the cockpit of an aircraft, (iii) any and all related products and services including without limitation in-flight entertainment and (iv) any and all products and services directly supportive thereof. For the avoidance of doubt, Air-to-Ground Communications does not include communications by satellite that does not involve communication to or from an aircraft.

"***Competitive Business***" means any business engaged in (i) providing Air-to-Ground Communications, (ii) assembling, manufacturing, installing or selling equipment involved in or relating to Air-to-Ground Communications or (iii) any other business or activities that are materially in competition with any other businesses in which the Company or any of its Affiliates materially engages in during Executive's employment or is actively contemplating entering into during Executive's employment. For purposes of this Agreement, in the event that a Competitive Business includes an organization with separate and distinct business units, to the extent possible, and upon the written approval of the Company, the term Competitive Business may be limited to only those business units(s) or persons of the Competitive Business that are engaged in, related to or become engaged in, or related to the business of Air-to-Ground Communications.

"***Confidential Information***" means all information relating to the Company, its Affiliates and their respective customers and suppliers considered by the Company or its Affiliates to be confidential and proprietary including, without limitation, (a) business plans, research, development and marketing strategies, customer names and lists, product and service prices and lines, processes, designs, formulae, methods, financial information, costs and supplies and (b) the Trade Secrets (as defined below). Confidential Information may include information which has been acquired or created by Executive or has otherwise become known to Executive through Executive's employment with Company. Confidential Information may also include information belonging to the Company's clients, customers or suppliers. "Confidential Information" shall not include the foregoing that is or becomes (i) in the public domain other than through acts by Executive, (ii) already lawfully in Executive's possession at the time of disclosure by the Company as evidenced by Executive's written records, (iii) disclosed to Executive by a third party who is not prohibited from disclosing the information pursuant to any fiduciary, contractual or other duty to any person or (iv) required by law, rule, regulation or court order to be disclosed.

"***Inventions***" means discoveries, concepts, ideas, methods, formulae, techniques, developments, know-how, inventions and improvements, whether or not patentable or registrable under patent, copyright or similar statutes, conceived of or made by Executive at any time, whether before, during or after business hours, or with the use of the Company's facilities, materials or personnel, either solely or jointly with others after the Effective Date and during Executive's employment by the Company and if based on or related to the Company's business, including, without limitation, existing and planned products and services and future products and services of the Company and its Affiliates.

"***Trade Secrets***" means any and all technology and information relating to the Company's and its Affiliates' business or their respective patents, methods, formulae, software, know-how, designs, products, processes, services, research development, inventions, systems, engineering and manufacturing which have been designated as secret or confidential or are the subject of efforts that are reasonable under the circumstances to maintain their secrecy or confidentiality and which are sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons.

The parties have executed this Agreement on the date first above written, effective as of the Effective Date.

COMPANY:

AIRCELL LLC

Date: 8-2-10

/s/ Ronald LeMay

Ronald LeMay

Title: Chairman

EXECUTIVE:

Date: 7-29-10

/s/ Michael Small

Michael Small

Exhibit A

Form of Option Award

EXHIBIT A

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

AWARD NOTICE

Michael J. Small
[address on file with the Company]

You have been granted an option to purchase shares of common stock, $0.0001 par value, of Aircell Holdings Inc. (the "Company"), pursuant to the terms and conditions of the Aircell Holdings Inc. Stock Option Plan (the "Plan") and the Stock Option Agreement (together with this Award Notice, the "Agreement"). Copies of the Plan and the Stock Option Agreement are attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Option:	You have been awarded a Non-Statutory Stock Option to purchase from the Company 8,357 shares of its common stock, $0.0001 par value, subject to adjustment as provided in Section 3.4 of the Agreement (the "Option Shares").
Grant Date:	June 2, 2010
Exercise Price:	$935.18 per share, subject to adjustment as provided in Section 3.4 of the Agreement.
Vesting Schedule:	The Option shall vest and become exercisable (i) on February 16, 2011 with respect to one-third of the Option Shares, (ii) on February 16, 2012 with respect to an additional one-third of the Option Shares, and (iii) on February 16, 2013 with respect to the remaining one-third of the Option Shares, provided you remain continuously employed by the Company or one of its Affiliates through such date.

Expiration Date: Except to the extent earlier terminated pursuant to Section 2.2 of the Agreement or earlier exercised pursuant to Section 2.3 of the Agreement, the Option shall terminate at 5:00 p.m., Central time, on the tenth anniversary of the Grant Date.

Aircell Holdings Inc.

By: _____

Name: Ronald T. LeMay
Title: Chairman

Acknowledgment, Acceptance and Agreement:

By signing below and returning this Award Notice to Aircell Holdings Inc. at the address stated herein, I hereby acknowledge receipt of the Agreement and the Plan, accept the Option granted to me and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

_____

Michael J. Small

_____

Date

AIRCELL HOLDINGS INC.
1250 N. ARLINGTON HEIGHTS ROAD, SUITE 500
ITASCA, ILLINOIS 60143
ATTENTION: GENERAL COUNSEL

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

STOCK OPTION AGREEMENT

Aircell Holdings Inc., a Delaware corporation (the "Company"), hereby grants to the individual ("Optionee") named in the award notice attached hereto (the "Award Notice") as of the date set forth in the Award Notice (the "Option Date"), pursuant to the provisions of the Aircell Holdings Inc. Stock Option Plan (the "Plan"), an option to purchase from the Company the number of shares of common stock, $0.0001 par value ("Common Stock"), set forth in the Award Notice at the price per share set forth in the Award Notice (the "Exercise Price") (the "Option"), upon and subject to the terms and conditions set forth below, in the Award Notice and in the Plan. Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Option Subject to Acceptance of Agreement. The Option shall be null and void unless Optionee shall accept this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company.

2. Time and Manner of Exercise of Option.

2.1. Maximum Term of Option. In no event may the Option be exercised, in whole or in part, after the expiration date set forth in the Award Notice (the "Expiration Date").

2.2. Vesting and Exercise of Option. The Option shall become vested and exercisable in accordance with the vesting schedule set forth in the Award Notice (the "Vesting Schedule"), subject to Section 3.5 of this Agreement. The Option shall be vested and exercisable following a termination of employment by Optionee according to the following terms and conditions:

(a) Death or Disability. If Optionee's employment with the Company terminates due to death or Disability, the Option shall be vested only to the extent it is vested on the date of Optionee's death or the effective date of Optionee's termination of employment due to Disability, as the case may be, and may thereafter be exercised by Optionee or Optionee's executor, administrator, legal representative, guardian or similar person until and including the earlier to occur of (i) the date which is one year after the date of Optionee's death or the effective date of Optionee's termination of employment due to Disability, as the case may be, and (ii) the Expiration Date. For purposes of this Agreement, "Disability" shall mean a permanent and total disability, within the meaning of Section 22(e) of the Code.

(b) Cause. If Optionee's employment with the Company is terminated by the Company for Cause, the Option, whether or not vested, shall terminate immediately upon such termination of employment.

(c) Other Reasons. If Optionee's employment with the Company is terminated due to circumstances other than as set forth in Sections 2.2(a) and (b), the Option shall be vested only to the extent it is vested on the effective date of Optionee's termination of employment and may thereafter be exercised by Optionee until and including the earliest to occur of (i) the date which is 90 days after the effective date of

Optionee's termination of employment, (ii) the date Optionee breaches an employment, noncompetition, nonsolicitation, confidentiality, inventions or similar agreement between the Company and Optionee (an "Employment Agreement") and (iii) the Expiration Date.

(d) Death Following Termination. If Optionee dies during the period set forth in Section 2.2(a) or Section 2.2(c), the Option shall be vested only to the extent it is vested on the date of death and may thereafter be exercised by Optionee's executor, administrator, legal representative, guardian or similar person until and including the earlier to occur of (i) the date which is one year after the date of death and (ii) the Expiration Date.

2.3. Method of Exercise. Subject to the limitations set forth in this Agreement, the Option may be exercised by Optionee (a) by delivering to the Company a written notice in the form attached hereto as Exhibit A, or in such other form as may be required by the Committee, specifying the number of shares of Common Stock to be purchased and by accompanying such notice with a payment therefor in full (or by arranging for such payment to the Company's satisfaction) and (b) by executing such documents as the Company may reasonably request, including the Investment Representation Statement attached hereto as Exhibit B. If shares of Common Stock are not listed on an established stock exchange or national market system at the time an option is exercised, then the Optionee shall pay the exercise price of the Option in cash. If shares of Common Stock are listed on an established stock exchange or national market system at the time an option is exercised, then the Optionee may pay the exercise price of the Option either (i) in cash, (ii) by delivery to the Company (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable pursuant to the Option by reason of such exercise, (iii) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, provided that the Committee determines that such withholding of shares does not cause the Company to recognize an increased compensation expense under applicable accounting principles, (iv) in cash by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (v) by a combination of (i), (ii), (iii) and (iv). The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (ii) through (v). Any fraction of a share of Common Stock winch would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by Optionee. No certificate representing a share of Common Stock shall be issued or delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 3.3, have been paid. If shares of Common Stock have not been registered under the Securities Act at the time the Option is exercised, Optionee shall, if required by the Company, concurrently with the exercise of all or a portion of the Option, deliver to the Company an executed investment representation statement in such form as may be required by the Company.

2.4. Termination of Option. In no event may the Option be exercised after it terminates as set forth in this Section 2.4. The Option shall terminate, to the extent not earlier terminated pursuant to Section 2.2 or exercised pursuant to Section 2.3, on the Expiration Date. Upon the termination of the Option, the Option and all rights hereunder shall immediately become null and void. Notwithstanding the foregoing, however, if Optionee breaches a covenant set forth in an Employment Agreement at any time, the Option shall terminate automatically upon such breach.

3. Additional Terms and Conditions of Option.

3.1. Nontransferability of Option. The Option may not be transferred by Optionee other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries in the form attached hereto as Exhibit C, or in such other form as may be required by the Committee. Except to the extent permitted by the foregoing sentence, (i) during Optionee's lifetime the Option is exercisable only by Optionee or Optionee's legal representative, guardian or similar person and (ii) the Option may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Option, the Option and all rights hereunder shall immediately become null and void.

3.2. Investment Representation. The Optionee hereby represents and covenants that (a) any shares of Common Stock purchased upon exercise of the Option will be purchased for investment and not with a view to the distribution thereof within the meaning of the Securities Act unless such purchase has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, Optionee shall submit a written statement, in the form attached hereto as Exhibit B, or in such other form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of any purchase of any shares hereunder or (y) is true and correct as of the date of any sale of any such shares, as applicable. As a further condition precedent to any exercise of the Option, Optionee shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

3.3. Withholding Taxes. (a) As a condition precedent to the issuance of Common Stock upon exercise of the Option, Optionee shall, upon request by the Company, pay to the Company in cash, in addition to the purchase price of the shares, such amount as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to such exercise of the Option. If Optionee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Optionee.

(b) If shares of Common Stock are listed on an established stock exchange or national market system at the time the Option is exercised, the Optionee may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (1) a cash payment to the Company, (2) delivery to the Company (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes arises in connection with the Option (the "Tax Date"),

equal to the Required Tax Payments, (3) authorizing the Company to withhold whole shares of Common Stock which would otherwise be issued to Optionee upon exercise of the Option having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, (4) a cash payment by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (5) any combination of (1), (2), (3) and (4). The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (2) through (5). Shares of Common Stock to be delivered or withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Optionee.

(c) No certificate representing a share of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

3.4. Adjustment. In the event of any stock split, reverse stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any extraordinary distribution to holders of Common Stock, the number and class of securities subject to the Option and the Exercise Price shall be appropriately adjusted by the Committee, such adjustment to be made without an increase in the aggregate purchase price. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive. To the extent the Company issues only whole shares of Common Stock at the time of an adjustment pursuant to this Section, and such adjustment would result in a fractional security being subject to the Option, the Company shall pay Optionee, in connection with the first exercise occurring after such adjustment, an amount in cash determined by multiplying (i) the fraction of such security (rounded to the nearest hundredth) by (ii) the excess, if any, of (A) the Fair Market Value on such date over (B) the Exercise Price of the Option.

3.5. Change in Control. (a) Subject to Section 3.5(b), in the event of a Change in Control pursuant to which shares of Common Stock are exchanged solely for securities of another corporation or other entity, the Option shall be assumed, or a substantially equivalent Option shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), with an appropriate and equitable adjustment to the number of shares subject to such option and the exercise price per share subject to such option, as determined by the Board in accordance with Section 3.4 and Section 409A of the Code.

(b) In the event that either (i) the acquiring or succeeding corporation or other entity in the Change in Control (or an affiliate thereof) does not agree to assume or substitute for the Option pursuant to Section 3.5(a) or (ii) pursuant to the Change in Control shares of Common Stock are exchanged solely for cash, then the Option shall be surrendered to the Company and be immediately cancelled by the Company, and the Optionee shall receive a cash payment from the Company in an amount equal to the number of shares of Common Stock then subject to the Option, whether or not vested and exercisable, multiplied by the excess, if any, of the greater of (A) the highest per share price payable to holders of Common Stock in any transaction whereby the Change in Control takes place or (B) the Fair Market Value of a share of Common Stock on the date of the occurrence of the Change in Control, over the Exercise Price.

(c) In the event of a Change in Control pursuant to which shares of Common Stock are exchanged for a combination of (i) the securities of another corporation or other entity and (ii) cash or property other than the securities of another corporation or other entity, then the Board, as constituted prior to such Change in Control, may determine in its sole discretion that some or all of the Option shall be assumed or substituted in accordance with Section 3.5(a), and any remaining portion of the Option shall be surrendered and cancelled in exchange for a cash payment in accordance with Section 3.5(b).

(d) Upon the occurrence of a Change in Control (other than an IPO), the Option shall become immediately vested and exercisable.

3.6. Compliance with Applicable Law. The Option is subject to the condition that if the listing, registration or qualification of the shares subject to the Option upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the purchase or issuance of shares hereunder, the Option may not be exercised, in whole or in part, and such shares may not be issued, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

3.7. Issuance or Delivery of Shares. Upon the exercise of the Option, in whole or in part, the Company shall issue or deliver, subject to the conditions of this Article 3, the number of shares of Common Stock purchased against full payment therefor. Such issuance shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance, except as otherwise provided in Section 3.3.

3.8. Option Confers No Rights as Shareholder. The Optionee shall not be entitled to any privileges of ownership with respect to shares of Common Stock subject to the Option unless and until such shares are purchased and issued upon the exercise of the Option, in whole or in part, and Optionee becomes a shareholder of record with respect to such issued shares. The Optionee shall not be considered a shareholder of the Company with respect to any such shares not so purchased and issued. As a condition to the exercise of the Option, Optionee shall execute and become a party to, and be subject to all of the terms and conditions of, any shareholder agreement entered into among the Company and its shareholders (the "Shareholder Agreement"), with respect to any shares of Common Stock purchased and issued upon exercise of the Option.

3.9. Option Confers No Rights to Continued Employment. In no event shall the granting of the Option or its acceptance by Optionee, or any provision of this Agreement or the Plan, give or be deemed to give Optionee any right to continued employment by the Company or any affiliate of the Company.

3.10. Designation of Option. If designated in the Award Notice as an Incentive Stock Option, this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. To the extent the Option is exercised pursuant to its terms after the period set forth in Section 422(a) of the Code or exceeds the limitation set forth in Section 422(d) of the Code (currently $100,000) or otherwise does not meet the requirements for an incentive stock option under Section 422 of the Code, the Option shall not be treated as an incentive stock option under Section 422.

3.11. Initial Public Offering. The Optionee hereby agrees that in the event of an IPO, Optionee shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of stock of the Company or any rights to acquire stock of the Company for such period of time from and after the effective date of such registration statement as may be established by the underwriter for such IPO. The foregoing limitation shall not apply to shares registered in the IPO under the Securities Act.

4. Miscellaneous Provisions.

4.1. Decisions of Board or Committee. The Board or the Committee shall have the right to resolve all questions which may arise in connection with the Option or its exercise. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

4.2. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Optionee, acquire any rights hereunder in accordance with this Agreement or the Plan.

4.3. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Aircell Holdings Inc., Attn. General Counsel, 1250 N. Arlington Heights Road, Suite 500, Itasca, Illinois 60143, and if to Optionee, to the last known mailing address of Optionee contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

4.4. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not effect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

4.5. Governing Law. This Agreement, the Option and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

4.6. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

4.7. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan, and shall be interpreted in accordance therewith. The Optionee hereby acknowledges receipt of a copy of the Plan, and by signing and returning the Award Notice to the Company, at the address stated herein, he or she agrees to be bound by the terms and conditions of this Agreement, the Award Notice and the Plan.

EXHIBIT A

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

EXERCISE NOTICE AND SHARE
REPURCHASE AGREEMENT

Aircell Holdings Inc.
1250 N. Arlington Heights Road, Suite 500
Itasca, Illinois 60143
Attention: [_____]

1. Exercise of Option. Effective as of today _____, 20____, the undersigned ("Optionee") hereby elects to exercise Optionee's option (the "Option") to purchase _____ shares of Common Stock (the "Shares") of Aircell Holdings Inc. (the "Company") under and pursuant to the Aircell Holdings Inc. Stock Option Plan (the "Plan") and the Award Notice and Stock Option Agreement dated _____, 20____ (the "Option Agreement").

2. Delivery of Payment. Optionee herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement.

3. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood this Exercise Notice and Share Repurchase Agreement (this "Agreement"), the Plan, the Option Agreement and the Shareholder Agreement among the Company and its shareholders (the "Shareholder Agreement"), and agrees to abide by and be bound by their terms and conditions. Optionee also agrees that, as a condition to the exercise of the Option, Optionee will be required to execute and deliver to the Company a counterpart signature page of the Shareholder Agreement and to become a party thereto, and the Shares will be held subject to the terms and conditions of such Shareholder Agreement.

4. Rights as Shareholder. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to receive dividends or any other rights as a shareholder shall exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares shall be issued to Optionee as soon as practicable after the Option is exercised. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 3.4 of the Option Agreement.

5. Company Share Repurchase Option. (a) Any time following the occurrence of (i) the termination of Optionee's employment with the Company for any reason, (ii) a breach by Optionee of any covenant set forth in any employment, noncompetition, nonsolicitation, confidentiality, inventions or similar agreement between the Company and Optionee (an "Employment Agreement") or (iii) the death of Optionee, the Company shall have the right (but not the obligation) in its sole discretion to repurchase any or all of the Shares held by Optionee (the "Share Repurchase Option"), which right may be exercised in one or more transactions. If the Company repurchases any Shares pursuant to this Section, it shall pay to Optionee, his or her legal representative or such other holder of the Shares a purchase price equal to:

(i) in the case of (A) Optionee's termination of employment for any reason other than Cause or (B) the death of Optionee, the Fair Market Value of such Shares as of the date the Company elects to repurchase such Shares; and

(ii) in the case of (A) Optionee's termination of employment by the Company for Cause or (B) Optionee's breach of an Employment Agreement, the lesser of the Exercise Price, as adjusted pursuant to Section 3.4 of the Option Agreement, or the Fair Market Value of the Shares as of the date the Company elects to repurchase such Shares.

(b) The Company's repurchase rights shall be in addition to any other rights or remedies that the Company may have under this Agreement, the Shareholder Agreement, any Employment Agreement or otherwise. If the Company elects to repurchase any Shares pursuant to this Section 5, the Company shall deliver to Optionee a notice setting forth the number of Shares which it has elected to repurchase. If the Company repurchases any of the Shares held by Optionee pursuant to this Section 5, Optionee shall deliver to the Company a certificate or certificates for the Shares being repurchased, duly endorsed or otherwise in proper form for transfer, against payment of the required repurchase price by cash, check or a promissory note, the terms of which shall be prescribed by the Company subject to this subsection (b). If the required repurchase price is paid by a promissory note, the promissory note shall become payable in full not later than the earliest of (i) the two-year anniversary of the repurchase of the Shares by the Company; (ii) the occurrence of an IPO or (iii) the occurrence of a Change in Control, and shall provide for the payment of interest on the first day of each calendar quarter during the term of the loan at a rate equal to the the Prime Rate published by the Northern Trust Bank as of the date of the repurchase. The repurchase rights hereunder may be exercised by any person to whom the Company assigns such rights.

6. Repurchase Restrictions. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Shares by the Company pursuant to Section 5 shall be subject to applicable restrictions contained in the Delaware General Corporation Law and in the Company's debt and equity financing agreements

7. Termination of Repurchase Rights and Obligations. The repurchase rights of the Company set forth in Section 5 hereof shall terminate as to any Shares upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

8. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice.

9. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER ‘THE SECURITIES ACT OF 1933, AS AMENDED. THESE SHARES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT THEREOF OR UNLESS THE TRANSFER IS OTHERWISE EXEMPT FROM REGISTRATION. ‘THE COMPANY MAY REQUIRE A WRITTEN OPINION OF COUNSEL (FROM COUNSEL ACCEPTABLE TO THE COMPANY) SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED SALE, PLEDGE, HYPOTHECATION OR OTHER TRANSFER. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE, HYPOTHECATION OR OTHER TRANSFER OF ANY INTEREST IN ANY OF THE SHARES REPRESENTED BY THIS CERTIFICATE.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN REPURCHASE OPTIONS HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH REPURCHASE OPTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Stop-Transfer Notices. Optionee agrees that in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company acts as its own transfer agent with respect to its securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to reflect any transfer on its books and records of any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

10. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Optionee and his or her heirs, executors, administrators, successors and assigns.

11. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by Optionee or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on all parties.

12. Governing Law. This Agreement, the Option and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United Stales, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

13. Entire Agreement. The Plan and the Option Agreement are incorporated herein by reference. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Option Agreement. This Agreement, the Plan, the Option Agreement, the Investment Representation Statement and the Shareholder Agreement constitute the entire agreement of the

parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to Optionee's interest except by means of a writing signed by the Company and Optionee.

Submitted by:	Accepted by:
Optionee:	Aircell Holdings Inc.
_____	_____
Signature	By
_____	_____
Print Name	Its
	_____
	Date Received

EXHIBIT B

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

INVESTMENT REPRESENTATION STATEMENT

Optionee: _____

Company: Aircell Holdings Inc.

Security: Common Stock

Number of Shares: _____

Aggregate Exercise Price: _____

Date: _____

In connection with the purchase of the above-listed Securities, the undersigned Optionee represents to the Company the following:

(a) Optionee is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Optionee is acquiring these Securities for investment for Optionee's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933 (the "Securities Act").

(b) Optionee acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Optionee's investment intent as expressed herein. In this connection, Optionee understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Optionee's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Optionee further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Optionee further acknowledges and understands that the Company is under no obligation to register the Securities. Optionee understands that the certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company, and any other legend required under applicable state securities laws.

(c) Optionee is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Optionee, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act"), ninety days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of certain of the conditions specified by Rule 144.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires the resale, if the Company is not subject to Exchange Act reporting at the time, to occur not less than one year after the date the Securities were issued by the Company. In the case of acquisition of the Securities by an affiliate of the Company, or by a non-affiliate who subsequently holds the Securities less than one year, the satisfaction of certain of the conditions specified by Rule 144 must be met.

(d) Optionee further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Optionee understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Optionee:

_____

_____

Date: _____, ____

EXHIBIT C

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

BENEFICIARY DESIGNATION FORM

You may designate a primary beneficiary and a secondary beneficiary for each option granted to you under the Aircell Holdings Inc. Stock Option Plan. You can name more than one person as a primary or secondary beneficiary. For example, you may wish to name your spouse as primary beneficiary and your children as secondary beneficiaries. Your secondary beneficiary(ies) will receive nothing if any of your primary beneficiary(ies) survive you. All primary beneficiaries will share equally unless you indicate otherwise. The same rule applies for secondary beneficiaries.

PART A: IDENTIFY AWARD TO WHICH THIS BENEFICIARY DESIGNATION APPLIES:

Option Granted on _____.

PART B: DESIGNATE YOUR BENEFICIARY(IES):

Primary Beneficiary(ies) (give name, address and relationship to you):

_____

_____

_____

_____

_____

Secondary Beneficiary(ies) (give name, address and relationship to you):

_____

_____

_____

_____

_____

I certify that my designation of beneficiary set forth above is my free act and deed.

_____ _____

Name
(please print)

Signature

_____

Date

This Beneficiary Designation Form shall be effective on the day it is received by the Company. This Form shall be (i) delivered to the Company by personal delivery, facsimile, United States mail or by express courier service and (ii) deemed to be received upon personal delivery, upon confirmation of receipt of facsimile transmission or upon receipt by the Company if by United States mail or express courier service; provided, however, that if this Form is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

If you are married and are not naming your spouse as the sole primary beneficiary, your spouse must complete and execute the consent in Part C of this Form and such consent must be witnessed either by a notary public or a plan representative. If you marry or become divorced after the date of this Form, your marriage will be deemed to revoke any prior beneficiary designation, and your divorce will be deemed to revoke any prior designation of your divorced spouse, if written evidence of such marriage or divorce is received by the Company before payment is made with respect to the Award. Therefore, if you are married or divorced after making a beneficiary designation, you should file a new designation even if you want your beneficiary designation(s) to remain the same.

PART C: SPOUSE'S CONSENT TO DESIGNATION OF BENEFICIARY (TO BE COMPLETED ONLY IF YOU ARE MARRIED AND NAME A BENEFICIARY OTHER THAN YOUR SPOUSE):

I hereby consent to my spouse's designation of beneficiary under Part B of this Form and I understand that the effect of this consent is that (i) if other beneficiaries are designated in addition to myself, I will receive only a portion of the amount payable pursuant to the Award after my spouse's death or (2) if I am not named as a beneficiary, I will not receive any amount payable pursuant to the Award after my spouse's death.

_____ _____

Name (Please Print) Signature

_____

Date

(State of _____)

(County of _____)

The above Spouse's Consent to Designation of Beneficiary was subscribed to by _____ in my presence on this the _____ day of _____, 20____.

_____

NOTARY PUBLIC OR PLAN REPRESENTATIVE

Exhibit 10.2.2

EMPLOYMENT AGREEMENT

This Employment Agreement (this "***Agreement***")is entered into effective September 1, 2010 (the "***Effective Date***") by and between AIRCELL LLC, 1250 N. Arlington Heights Road, Suite 500, Itasca, IL 60143 (the "***Company***"), and Norman Smagley, [address on file with the Company]. This Agreement supersedes and replaces all other agreements, whether oral or written, related to the terms of Executive's employment with the Company, including, but not limited to, that certain offer letter presented by Aircell to Executive on August 16, 2010. Certain capitalized terms used herein have the meanings given to them in Section 20 hereof.

AGREEMENT:

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Employment. The Company hereby agrees to employ Executive, and Executive hereby accepts such employment upon the terms and conditions set forth herein and agrees to perform duties as assigned by the Company's Board of Directors.

2. Capacity and Duties. As of the Effective Date, Executive shall be employed by the Company as its Executive Vice President and Chief Financial Officer. During Executive's employment with the Company, Executive shall perform the duties and bear the responsibilities commensurate with Executive's position, and shall serve the Company faithfully and to the best of Executive's ability, under the direction of the Company's President and Chief Executive Officer. Executive's actions shall at all times be such that they do not discredit the Company or its products and services, and Executive shall not engage in any business activity or activities that require significant personal services by Executive or that, in the sole judgment of the Company, may conflict with the proper performance of Executive's duties hereunder. Executive shall devote all Executive's working time, working attention, and working energies to the business of the Company. Executive's service, following the first anniversary of the Effective Date, as a member of the board of directors of one for-profit company that does not compete with Aircell is acknowledged, accepted and agreed to as an exception to the foregoing.

3. Compensation.

(a) Base Salary. The Company shall pay to Executive as base compensation for all of the services to be rendered by Executive under this Agreement a salary at the rate of $320,000 per annum (the "***Base Salary***"), payable in accordance with such normal payroll practices as are adopted by the Company from time to time, subject to withholdings for federal, state and local taxes, FICA and other withholding required by applicable law, regulation or ruling. The Base Salary shall be reviewed at least annually. Unless the Company and Executive mutually agree otherwise, Executive's annual salary shall not be reduced by more than ten percent (10%) of Executive's then current Base Salary unless as part of an overall compensation reduction at the Company that impacts salaries of all executives of the Company; provided, however, that Executive's Base Salary shall not be reduced more than one time during the term of his employment with the Company. In addition, Executive shall be eligible for an annual bonus with a target of seventy five percent (75%) of Base Salary. The amount of such annual bonus, if any, shall be decided by the Chief Executive Officer, subject to the approval of the Company's Board of Directors, and shall be based upon achievement of both personal and corporate objectives. The annual bonus payable with respect to any fiscal year shall be paid no later than 2 1/2 months following the end of such fiscal year. Executive's bonus for 2010 shall be prorated based upon his start date; provided, however, that Aircell guarantees that such bonus shall be not less than $80,000.

(b) Reimbursement of Expenses, Company Facilities. The Company shall pay or reimburse Executive for all reasonable, ordinary and necessary travel and other expenses incurred by Executive in the performance of Executive's obligations under this Agreement, in accordance with the Company's travel and expense reimbursement policies for management employees. The Company shall provide to Executive, at the Company's principal place of business, the necessary office facilities and equipment to perform Executive's obligations under this Agreement

(c) Vacation and Personal Time Off. Executive shall be entitled to 24 days of paid time off (PTO) per calendar year. Executive's PTO accrual shall be prorated during Executive's first year of employment.

(d) Benefits. Executive shall be eligible to participate in all normal company benefits including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms thereof.

(e) Directors and Officers Insurance. Officers and directors liability insurance shall be obtained and maintained by the Company for reasonable and customary coverage of the Company, other executives of the Company and Executive, at no cost to Executive.

(f) Stock Option Plan. Subject to approval by the Board of Directors, Executive shall be entitled to receive options to purchase 1200 shares of common stock in Aircell Holdings Inc. pursuant to the Company's standard terms and conditions as set forth in the option agreement and the Aircell Holdings Inc. Stock Option Plan. Subject to Executive's continued employment hereunder, the units shall vest in four equal annual installments over the four-year period beginning on the grant date.

4. Confidentiality; Ownership of Confidential Information and Inventions.

(a) Receipt of Confidential Information. Executive's employment by the Company creates a relationship of confidence and trust between Executive and the Company with respect to certain information applicable to the business of the Company and its clients or customers. Executive acknowledges that during Executive's employment by the Company and as a result of the confidential relationship with the Company established thereby, Executive shall be receiving Confidential Information and that the Confidential Information is a highly valuable asset of the Company.

(b) Nondisclosure. During Executive's employment with the Company and at all times thereafter, regardless of the reason for the termination of such employment, Executive shall retain in strict confidence and shall not use for any purpose whatsoever or divulge, disseminate, or disclose to any third party (other than in the furtherance of the business purposes of the Company and with the Company's prior written consent) all Confidential Information, all of which is deemed confidential and proprietary.

(c) Disclosure. Executive shall inform the Company promptly and fully of all Inventions by a written report, setting forth in detail a description of the Invention, the procedures used and the results achieved. Executive shall submit a report upon completing any studies or research projects undertaken on the Company's behalf, whether or not Executive believes that project has resulted in an Invention. Executive agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all Inventions, which records shall be available to and remain the sole property of the Company at all times.

(d) Ownership; Cooperation. All Confidential Information and Inventions shall be and remain the sole property of the Company. Executive promptly shall execute and deliver to the Company any instruments deemed necessary by it to effect disclosure and assignment of all Inventions to the Company including, without limitation, assignment agreements satisfactory to the Company. Upon request of the Company, during and after Executive's employment with the Company, Executive shall execute patent, copyright, trademark, mask work or other applications and any other instruments deemed necessary by the Company for the prosecution of such patent applications or the acquisition of letters patent or registration of copyrights, trademarks or mask works in the United States and foreign countries based on such Inventions; *provided*, *however*, that if Executive incurs any expenses in connection with the foregoing obligation after Executive's employment with the Company is terminated, the Company shall compensate Executive at a reasonable rate for the time actually spent by Executive at the Company's request in satisfying such obligation.

(e) Works for Hire. To the extent the Inventions consist of original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment and which are protectable by copyright, Executive acknowledges that all such original works of authorship are "works for hire" as that term is defined in the United States Copyright Act (17 U.S.C., Section 101).

5. Covenants-Not-to-Compete. In consideration of Executive's continued employment as an executive of the Company and in consideration of the Company's obligations contained in this Agreement, including, without limitation, its agreeing to grant the options described in Section 3(g) and pay severance benefits in the circumstances specified in Section 9(a), and because Executive shall have access to Confidential Information, including, without limitation, Trade Secrets, Executive hereby covenants as follows:

(a) Covenants. Without the prior written consent of the Board, (x) during Executive's employment with the Company and (y) for one (1) year after leaving the employment of the Company, whether voluntarily or involuntarily, Executive shall not directly or indirectly, personally, by agency, as an employee, officer or director, through a corporation, partnership, limited liability company, or by any other artifice or device:

(i) Own, manage, operate, control, work for, provide services to, employ, have any financial interest in, consult to, lend Executive's name to or engage in any capacity in any enterprise, business, company or other entity (whether existing or newly established) engaged in a Competitive Business, whether in anticipation of monetary compensation or otherwise;

(ii) Hire, solicit or otherwise induce any current or former employee of the Company or any of its Affiliates to terminate his or her employment with the Company or such Affiliate or to engage in any Competitive Business, or intentionally interfere with the relationship of the Company or any of its Affiliates with any such employee or former employee;

(iii) Solicit or service in any way in connection with or relating to a Competitive Business, on behalf of Executive or on behalf of or in conjunction with others, any supplier, client or customer, or prospective supplier, client, or customer, who has been solicited or serviced by the Company or any of its Affiliates; or

(iv) Assist others in doing anything prohibited by clause (i), (ii) or (iii) above; in each case anywhere in the United States. The covenants in this Section 5(a) shall be specifically enforceable. However, the covenants in this Section 5(a) shall not be construed to prohibit the ownership of not more than one percent of the equity of any publicly-held entity engaged in direct competition with the Company, so long as Executive is not otherwise engaged with such entity in any of the other activities specified in Section 5(a)(i) through (iv) above.

(b) Severability of Covenants. For purposes of this Section 5, Executive and the Company intend that the covenants contained in Section 5 shall be construed as separate covenants, one for each activity and each geographic area. If one or more of these covenants are adjudicated to be unenforceable, such unenforceable covenant shall be deemed eliminated from this Section 5 to the extent necessary to permit the remaining separate covenants to be enforced.

(c) Acknowledgment. Executive acknowledges that the covenants made by Executive in this Agreement are intended to protect the legitimate business interests of the Company and not to prevent or interfere with Executive's ability to earn a living.

6. Injunctive Relief; Legal Fees. If Executive violates any of the provisions of Section 4 or 5 hereof (the "***Applicable Sections***"), the Company shall be entitled to seek and, if awarded by a court or arbitrator, obtain immediate and permanent injunctive relief in addition to all other rights and remedies it may have, it being agreed that a violation of the Applicable Sections would cause the Company irreparable harm,

and the damages which the Company would sustain upon such violation are difficult or impossible to ascertain in advance. If the Company takes legal action to enforce the covenants contained in the Applicable Sections, or to enjoin Executive from violating the Applicable Sections, as part of its damages, the prevailing party shall be entitled to recover its reasonable legal costs and expenses for bringing and maintaining any such action from the losing party.

7. No Conflict. Executive represents and warrants to the Company that (a) Executive has not signed any employment agreement, confidentiality agreement, non-competition covenant or the like with any other employer and (b) Executive's employment with the Company will not violate any other agreement or arrangement Executive has or may have had with any other former employer. Executive covenants that under no circumstances shall Executive disclose to the Company or use for the benefit of the Company any confidential or proprietary information of any former employer or other third party, and Executive shall hold all such information in confidence, and shall comply with the terms of any and all applicable agreements between Executive and the third party with respect to such information.

8. Termination. Executive and the Company each acknowledge that either party has the right to terminate Executive's employment with the Company at any time for any reason whatsoever, with or without cause, pursuant to the following:

(a) Termination by the Company Without Cause. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice;

(b) Disability. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice, if Executive is prevented from performing Executive's duties by reason of illness or incapacity for the greater of (i) a continuous period of 120 days or (ii) the eligibility waiting period of the Company's long-term disability insurance policy covering the Executive;

(c) Death. Immediately upon the death of Executive; or

(d) Termination by the Company for Cause. Immediately upon a showing of "Cause", which for purposes of this Agreement shall mean Executive's (1) willful gross misconduct or gross or persistent negligence in the discharge of his duties; (2) act of dishonesty or concealment; (3) breach of his fiduciary duty or duty of loyalty to the Company; (4) a material breach of Section 4 or 5 hereof; (5) any other material breach by Executive of this Agreement, which breach has not been cured by Executive

within thirty (30) days after written notice of such breach is given to Executive by the Company; (6) commission of repeated acts of substance abuse which are materially injurious to the Company; (7) commission of a criminal offense involving money or other property of the Company (excluding traffic or other similar violations); or (8) commission of a criminal offense that would, if committed in the State of Illinois, constitute a felony under the laws of the State of Illinois or the United States of America.

(e) Voluntary Resignation. Executive may terminate Executive's employment under this Agreement upon thirty (30) days' written notice to the Company. The Company, at its discretion, may waive the thirty (30) day notice requirement, and in such event shall be required to make any payments in lieu of notice.

(f) Resignation for Good Reason. Executive may terminate his employment under this Agreement immediately upon a showing of "Good Reason," which for purposes of this Agreement shall mean (1) a reduction by the Company in Executive's Base Salary beyond what is permitted by Section 3(a) or in his Target Bonus; (2) a material diminution in Executive's duties or responsibilities; (3) the Executive ceasing to report directly to the Company's Chief Executive Officer; (4) the relocation of Executive's principal place of employment to a geographic location other than the metropolitan Chicago area; or (5) any material breach by the Company of its obligations to Executive hereunder; provided, however, that Executive may resign for Good Reason only if he has given the Company written notice of its breach and the Company has not remedied such breach on or before the 30th day following the Company's receipt of such notice.

9. Termination Benefits.

(a) Termination by the Company Without Cause or Resignation for Good Reason. If Executive is terminated under Section 8(a) or resigns for Good Reason under Section 8(f), and upon execution, not later than 45 days following the termination date, of a separation agreement containing a general mutual release of all claims, the Company shall pay Executive an amount equal to Executive's Base Salary under Section 3(a) at the time of such termination for a period of twelve (12) months (each such payment a "***Severance Payment***"). The Severance Payment shall be payable in installments, by direct deposit, in accordance with the Company's normal payroll practices. In addition, during the twelve months following termination, should Executive timely elect to continue coverage pursuant to COBRA, the Company agrees to reimburse Executive for the COBRA premiums due to maintain health insurance coverage that is substantially equivalent to that which he received immediately prior to Executive's termination. The Company shall also pay Executive (i) any salary earned but unpaid

prior to termination and all accrued but unused PTO, (ii) any business expenses incurred but not reimbursed as of the date of termination, and (iii) Employee's guaranteed bonus for 2010 and any other award under the annual bonus program referred to in Section 3(a) that has been approved by the Chief Executive Officer and the Company's Board of Directors but not paid prior to termination.

(b) Other Termination. In all other cases, the Company's obligation to make payments hereunder shall cease upon such termination, except the Company shall pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused PTO, and (ii) any business expenses incurred but not reimbursed as of the date of termination.

(c) Survival of Obligations. Executive's obligations pursuant to Sections 4, 5 and 9(d), the Company's obligations under Sections 9(a) and 9(b) and the parties' respective obligations under Articles 14 and 19 shall survive the expiration of the term of Executive's employment under this Agreement or any early termination thereof

(d) Returns. Upon termination of Executive's employment under this Agreement, or as otherwise requested by the Company, immediately upon the Company's request, Executive shall return to the Company all Company files, notes, business plans and forecasts, financial information, computer-recorded information, tangible property including computers, software, credit cards, entry cards, identification badges, cell phones, pager, keys, tools, equipment and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof).

10. Notices. All notices, reports, records or other communications which are required or permitted to be given to the parties under this Agreement shall be sufficient in all respects if given in writings and delivered in person, by telecopy, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving party at the address listed on the first page of this Agreement, or to such other address as such party may have given to the other by notice pursuant to this Section 10. In the case of any such communications to the Company, such communications shall also be delivered to the Board of Directors. Notice shall be deemed given on the date of delivery, in the case of personal delivery or telecopy, or on the delivery or refusal date, as specified on the return receipt, in the case of overnight courier or registered or certified mail.

11. Further Assurances. The parties shall cooperate fully with each other and execute such further instruments, documents and agreements, and shall give such further written assurances, as may be reasonably requested by one another to better evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intent and purposes of this Agreement. Without limiting the generality of the foregoing, Executive shall cooperate fully in assisting the Company to comply with contractual obligations of the Company to third parties regarding Inventions, Trade Secrets and copyrights.

12. Waiver of Breach. A waiver by the Company of a breach of any provision of this Agreement by Executive shall not operate or be construed as a waiver of any subsequent breach by Executive.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Any action pursuant to Section 4 or 5 above may be brought in the Courts in the State of Illinois, and by execution of this Agreement, Executive irrevocably submits to such jurisdiction.

14. Arbitration.

(a) Any dispute arising in connection with this Agreement or Executive's employment with the Company, except for equitable or injunctive actions pursuant to Section 4 or 5 above, or claims by Executive for workers' compensation, unemployment compensation or benefits under a Company benefits plan, shall be submitted to final and binding arbitration conducted under the American Arbitration Association's National Rules for The Resolution of Employment Disputes. Judgment upon any award rendered by arbitration, may be entered in any court having jurisdiction thereof.

(b) The arbitrator shall be selected by the mutual agreement of the parties. Any arbitrator selected shall be a licensed attorney having at least ten years of experience in labor or employment related practice areas. If the amount in dispute exceeds $250,000, the parties shall select, by mutual agreement, a panel of three arbitrators, rather than one arbitrator, to resolve the dispute.

(c) The arbitration shall be conducted in Chicago, Illinois (unless the corporate headquarters of the Company shall have been moved to another location, in which case the arbitration shall be conducted in such location). Reasonable discovery shall be permitted as determined by the arbitrator or arbitrators. Both parties to an arbitration shall have the right to be represented by counsel. The attorneys' fees and

costs of the arbitrator and arbitration proceedings are to be shared equally between the parties, and all other costs and attorneys' fees are to be paid by the party incurring such costs and fees; provided, however, that the arbitrator(s) shall have discretionary authority to award attorneys' and arbitrators' fees and expenses and the costs of arbitration to the prevailing party.

(d) Except as otherwise provided herein, this arbitration procedure is the exclusive remedy for any contractual, non-contractual or statutory claim of any kind, including claims arising under federal, state and local statutory law, including, but not limited to, the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 *et seq.*; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Employee Retirement Income Security Act, 29 U.S.C. § 1001 *et seq.*; the Illinois Human Rights Act, 75 ILCS § 5/1-101 *et seq.*; and common law or equitable claims alleging breach of contract, defamation, fraud, outrageous conduct, promissory estoppel, violation of public policy, wrongful discharge or any other tort, contract or equitable theory. Executive agrees to exhaust any and all internal dispute resolution procedures established by the Company prior to pursuing arbitration under this Agreement.

15. Severability. If any provision of this Agreement shall be held by any Court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the enforceability of all other provisions of this Agreement shall be unimpaired.

16. Binding Agreement. Executive shall not delegate or assign any of Executive's rights or obligations under this Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by Executive, the Company and the Company's successors and assigns; *provided*, *however*, that the Company may not assign this Agreement to any other person or entity without the prior written consent of Executive except (a) to Aircell Holdings Inc. or (b) in connection with a sale, assignment or other transfer by the Company of all or a substantial portion of its assets or business, in each of which events assignment of this Agreement is expressly permitted without the consent of Executive.

17. Merger; Amendment. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and no other statement, representation, warranty or covenant has been made by either party except as expressly set forth herein. This Agreement may be amended at any time, *provided* that such amendment is in writing and is signed by each of the parties.

18. Nature of Employment. EXECUTIVE IS EMPLOYED WITH THE COMPANY FOR NO SPECIFIC TERM OF EMPLOYMENT, AND IS EMPLOYED AT THE WILL OF THE COMPANY. NOTHING IN THIS AGREEMENT SHALL IN ANY WAY RESTRICT EXECUTIVE'S RIGHT OR THE RIGHT OF THE COMPANY TO TERMINATE EXECUTIVE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR FOR NO REASON, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT NOTICE.

19. Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4). In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("***409A Penalties***"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by the Company under any applicable expense reimbursement policy, and shall be paid to Executive promptly following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit.

20. Definitions. In addition to terms defined above and elsewhere in this Agreement, the following terms shall have the meanings set forth below:

"***Affiliate***" means (i) any parent or subsidiary of the Company and (ii) any person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Company. For purposes of this definition, the terms "controls," "is controlled by" or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

"***Air-to-Ground Communication***" means (i) data and/or voice communications directly or indirectly between an aircraft and the ground, including communications between an aircraft and the ground transmitted in whole or in part by satellite, (ii) data and/or voice communications within an aircraft, including all communications to or from the cabin and/or the cockpit of an aircraft, (iii) any and all related products and services and (iv) any and all products and services directly supportive thereof. For the avoidance of doubt, Air-to-Ground Communications does not include communications by satellite that does not involve communication to or from an aircraft.

"***Competitive Business***" means any business engaged in (i) providing Air-to-Ground Communications, (ii) assembling, manufacturing, installing or selling equipment involved in or relating to Air-to-Ground Communications or (iii) any other business or activities that are substantially in competition with any other businesses in which the Company or any of its Affiliates engages in during Executive's employment or is actively contemplating entering into during Executive's employment. For purposes of this Agreement, in the event that a Competitive Business includes an organization with separate and distinct business units, to the extent possible, and upon the written approval of the Company, the term Competitive Business may be limited to only those business units(s) or persons of the Competitive Business that are engaged in, related to or become engaged in, or related to the business of Air-to-Ground Communications.

"***Confidential Information***" means all information relating to the Company, its Affiliates and their respective customers and suppliers considered by the Company or its Affiliates to be confidential and proprietary including, without limitation, (a) business plans, research, development and marketing strategies, customer names and lists, product and service prices and lines, processes, designs, formulae, methods, financial information, costs and supplies and (b) the Trade Secrets (as defined below). Confidential Information may include information which has been acquired or created by Executive or has otherwise become known to Executive through Executive's employment with Company.

Confidential Information may also include information belonging to the Company's clients, customers or suppliers. "Confidential Information" shall not include the foregoing that is or becomes (i) in the public domain other than through acts by Executive, (ii) already lawfully in Executive's possession at the time of disclosure by the Company as evidenced by Executive's written records, (iii) disclosed to Executive by a third party who is not, prohibited from disclosing the information pursuant to any fiduciary, contractual or other duty to any person or (iv) required by law, rule, regulation or court order to be disclosed.

"***Existing Proprietary Rights***" means all inventions, original works of authorship, developments, improvements and trade secrets that Executive has, alone or jointly with others, made, conceived, developed or reduced to practice or caused to be made, conceived, developed or reduced to practice prior to the Effective Date, whether or not patentable or registrable under patent, copyright or similar statutes, a list of which is attached to this Agreement as **Exhibit A**.

"***Inventions***" means discoveries, concepts, ideas, methods, formulae, techniques, developments, know-how, inventions and improvements, whether or not patentable or registrable under patent, copyright or similar statutes, conceived of or made by Executive at any time, whether before, during or after business hours, or with the use of the Company's facilities, materials or personnel, either solely or jointly with others after the Effective Date and during Executive's employment by the Company and if based on or related to the Company's business, including, without limitation, existing and planned products and services and future products and services of the Company and its Affiliates.

"***Trade Secrets***" means any and all technology and information relating to the Company's and its Affiliates' business or their respective patents, methods, formulae, software, know-how, designs, products, processes, services, research development, inventions, systems, engineering and manufacturing which have been designated as secret or confidential or are the subject of efforts that are reasonable under the circumstances to maintain their secrecy or confidentiality and which are sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons.

The parties have executed this Agreement on the date first above written, effective as of the Effective Date.

COMPANY: **EXECUTIVE:**

AIRCELL LLC

Date: 8/23/10

/s/ Michael Small

Michael Small

Title: President & CEO

Date: 8/20/10

/s/ Norman Smagley

Norman Smagley

Exhibit 10.2.3

EMPLOYMENT AGREEMENT

This Employment Agreement (this ***"Agreement"***)is entered into effective October 25, 2010 (the ***"Effective Date"***) by and between AIRCELL LLC, 1250 N. Arlington Heights Road, Suite 500, Itasca, IL 60143 (the ***"Company"***), and **ASH ELDIFRAWI** [address on file with the Company]. This Agreement supersedes and replaces all other agreements, whether oral or written, related to the terms of Executive's employment with the Company, including, but not limited to, that certain offer letter presented by Aircell to Executive on September 21, 2010. Certain capitalized terms used herein have the meanings given to them in Section 20 hereof.

AGREEMENT:

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Employment. The Company hereby agrees to employ Executive, and Executive hereby accepts such employment upon the terms and conditions set forth herein and agrees to perform duties as assigned by the Company's Board of Directors.

2. Capacity and Duties. As of the Effective Date, Executive shall be employed by the Company as its Executive Vice President and Chief Marketing Officer. During Executive's employment with the Company, Executive shall perform the duties and bear the responsibilities commensurate with Executive's position, and shall serve the Company faithfully and to the best of Executive's ability, under the direction of the Company's President and Chief Executive Officer. Executive's actions shall at all times be such that they do not discredit the Company or its products and services, and Executive shall not engage in any business activity or activities that require significant personal services by Executive or that, in the sole judgment of the Company, may conflict with the proper performance of Executive's duties hereunder. Executive shall devote all Executive's working time, working attention, and working energies to the business of the Company. Executive's service, following the first anniversary of the Effective Date, as a member of the board of directors of one for-profit company that does not compete with Aircell, is acknowledged, accepted and agreed to as an exception to the foregoing.

3. Compensation.

(a) Base Salary. The Company shall pay to Executive as base compensation for all of the services to be rendered by Executive under this Agreement a salary at the rate of $360,000 per annum (the ***"Base Salary"***), payable in accordance with such normal payroll practices as are adopted by the Company from time to time, subject to withholdings for federal, state and local taxes, FICA and other withholding required by applicable law, regulation or ruling. The Base Salary shall be reviewed at least annually. Unless the Company and Executive mutually agree otherwise, Executive's annual salary shall not be reduced by more than ten percent (10%) of Executive's then current Base Salary unless as part of an overall compensation reduction at the Company that impacts salaries of all executives of the Company; provided, however, that Executive's Base Salary shall not be reduced more than one time during the term of his employment with the Company. In addition, Executive shall be eligible for an annual bonus with a target of seventy five percent (75%) of Base Salary. The amount of such annual bonus, if any, shall be decided by the Chief Executive Officer, subject to the approval of the Company's Board of Directors, and shall be based upon achievement of both personal and corporate objectives. The annual bonus payable with respect to any fiscal year shall be paid no later than 2%2 months following the end of such fiscal year. Executive's bonus for 2010 shall be prorated based upon his start date; provided, however, that Aircell guarantees that such bonus shall be not less than $135,000.

(b) Reimbursement of Expenses, Company Facilities. The Company shall pay or reimburse Executive for all reasonable, ordinary and necessary travel and other expenses incurred by Executive in the performance of Executive's obligations under this Agreement, in accordance with the Company's travel and expense reimbursement policies for management employees. The Company shall provide to Executive, at the Company's principal place of business, the necessary office facilities and equipment to perform Executive's obligations under this Agreement

(c) Vacation and Personal Time Off. Executive shall be entitled to 24 days of paid time off (PTO) per calendar year. Executive's PTO accrual shall be prorated during Executive's first year of employment.

(d) Benefits. Executive shall be eligible to participate in all normal company benefits including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms thereof.

(e) Directors and Officers Insurance. Officers and directors liability insurance shall be obtained and maintained by the Company for reasonable and customary coverage of the Company, other executives of the Company and Executive, at no cost to Executive.

(f) Stock Option Plan. Subject to approval by the Board of Directors, Executive shall be entitled to receive options to purchase 2000 shares of common stock in Aircell Holdings Inc. (the ***"Options"***) pursuant to the Company's standard terms and conditions as set forth in the option agreement and the Aircell Holdings Inc. Stock Option Plan. Subject to Executive's continued employment hereunder, the units shall vest in four equal annual installments over the four-year period beginning on the grant date.

(g) Relocation Benefits. Executive's principal office will be in Itasca, IL, and Executive intends to relocate his residence to the metropolitan Chicago area. The Company will provide relocation benefits as and to the extent set forth in Exhibit A hereto; provided, however, that such benefits shall expire on the first anniversary of the Effective Date. The Company makes no representation as to the proper tax treatment of reimbursed relocation benefits on executive's federal or state income tax returns, and Executive is responsible for obtaining independent advice from his personal tax advisor.

4. Confidentiality; Ownership of Confidential Information and Inventions.

(a) Receipt of Confidential Information. Executive's employment by the Company creates a relationship of confidence and trust between Executive and the Company with respect to certain information applicable to the business of the Company and its clients or customers. Executive acknowledges that during Executive's employment by the Company and as a result of the confidential relationship with the Company established thereby, Executive shall be receiving Confidential Information, and that the Confidential Information is a highly valuable asset of the Company.

(b) Nondisclosure. During Executive's employment with the Company and at all times thereafter, regardless of the reason for the termination of such employment, Executive shall retain in strict confidence and shall not use for any purpose whatsoever or divulge, disseminate, or disclose to any third party (other than in the furtherance of the business purposes of the Company and with the Company's prior written consent) all Confidential Information, all of which is deemed confidential and proprietary.

(c) Disclosure. Executive shall inform the Company promptly and fully of all Inventions by a written report, setting forth in detail a description of the Invention, the procedures used and the results achieved. Executive shall submit a report upon completing any studies or research projects undertaken on the Company's behalf, whether or not Executive believes that project has resulted in an Invention. Executive agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all Inventions, which records shall be available to and remain the sole property of the Company at all times.

(d) Ownership; Cooperation. All Confidential Information and Inventions shall be and remain the sole property of the Company. Executive promptly shall execute and deliver to the Company any instruments deemed necessary by it to effect disclosure and assignment of all Inventions to the Company including, without limitation, assignment agreements satisfactory to the Company. Upon request of the Company, during and after Executive's employment with the Company, Executive shall execute patent, copyright, trademark, mask work or other applications and any other instruments deemed necessary by the Company for the prosecution of such patent applications or the acquisition of letters patent or registration of copyrights, trademarks or mask works in the United States and foreign countries based on such Inventions; provided, however, that if Executive incurs any expenses in connection with the foregoing obligation after Executive's employment with the Company is terminated, the Company shall compensate Executive at a reasonable rate for the time actually spent by Executive at the Company's request in satisfying such obligation.

(e) Works for Hire. To the extent the Inventions consist of original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment and which are protectable by copyright, Executive acknowledges that all such original works of authorship are "works for hire" as that term is defined in the United States Copyright Act (17 U.S.C., Section 101).

5. Covenants-Not-to-Compete. In consideration of Executive's continued employment as an executive of the Company and in consideration of the Company's obligations contained in this Agreement, including, without limitation, its agreeing to grant the options described in Section 3(g) and pay severance benefits in the circumstances specified in Section 9(a), and because Executive shall have access to Confidential Information, including, without limitation, Trade Secrets, Executive hereby covenants as follows:

(a) Covenants. Without the prior written consent of the Board, (x) during Executive's employment with the Company and (y) for one (1) year after leaving the employment of the Company, whether voluntarily or involuntarily, Executive shall not directly or indirectly, personally, by agency, as an employee, officer or director, through a corporation, partnership, limited liability company, or by any other artifice or device:

(i) Own, manage, operate, control, work for, provide services to, employ, have any financial interest in, consult to, lend Executive's name to or engage in any capacity in any enterprise, business, company or other entity (whether existing or newly established) engaged in a Competitive Business, whether in anticipation of monetary compensation or otherwise;

(ii) Hire, solicit or otherwise induce any current or former employee of the Company or any of its Affiliates to terminate his or her employment with the Company or such Affiliate or to engage in any Competitive Business, or intentionally interfere with the relationship of the Company or any of its Affiliates with any such employee or former employee;

(iii) Solicit or service in any way in connection with or relating to a Competitive Business, on behalf of Executive or on behalf of or in conjunction with others, any supplier, client or customer, or prospective supplier, client, or customer, who has been solicited or serviced by the Company or any of its Affiliates; or

(iv) Assist others in doing anything prohibited by clause (i), (ii) or (iii) above. The covenants in this Section 5(a) shall be specifically enforceable.

However, the covenants in this Section 5(a) shall not be construed to prohibit the ownership of not more than one percent of the equity of any publicly-held entity engaged in direct competition with the Company, so long as Executive is not otherwise engaged with such entity in any of the other activities specified in Section 5(a)(i) through (iv) above.

(b) Severability of Covenants. For purposes of this Section 5, Executive and the Company intend that the covenants contained in Section 5 shall be construed as separate covenants, one for each activity and each geographic area. If one or more of these covenants are adjudicated to be unenforceable, such unenforceable covenant shall be deemed eliminated from this Section 5 to the extent necessary to permit the remaining separate covenants to be enforced.

(c) Acknowledgment. Executive acknowledges that the covenants made by Executive in this Agreement are intended to protect the legitimate business interests of the Company and not to prevent or interfere with Executive's ability to earn a living.

6. Injunctive Relief; Legal Fees. If Executive violates any of the provisions of Section 4 or 5 hereof (the ***"Applicable Sections"***), the Company shall be entitled to seek and, if awarded by a court or arbitrator, obtain immediate and permanent injunctive relief in addition to all other rights and remedies it may have, it being agreed that a violation of the Applicable Sections would cause the Company irreparable harm, and the damages which the Company would sustain upon such violation are difficult or impossible to ascertain in advance. If the Company takes legal action to enforce the covenants contained in the Applicable Sections, or to enjoin Executive from violating the Applicable Sections, as part of its damages, the prevailing party shall be entitled to recover its reasonable legal costs and expenses for bringing and maintaining any such action from the losing party.

7. No Conflict. Executive represents and warrants to the Company that (a) Executive has not signed any employment agreement, confidentiality agreement, non-competition covenant or the like with any other employer and (b) Executive's employment with the Company will not violate any other agreement or arrangement Executive has or may have had with any other former employer. Executive covenants that under no circumstances shall Executive disclose to the Company or use for the benefit of the Company any confidential or proprietary information of any former employer or other third party, and Executive shall hold all such information in confidence, and shall comply with the terms of any and all applicable agreements between Executive and the third party with respect to such information.

8. Termination. Executive and the Company each acknowledge that either party has the right to terminate Executive's employment with the Company at any time for any reason whatsoever, with or without cause, pursuant to the following:

(a) Termination by the Company Without Cause. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice;

(b) Disability. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice, if Executive is prevented from performing Executive's duties by reason of illness or incapacity for the greater of (i) a continuous period of 120 days or (ii) the eligibility waiting period of the Company's long-term disability insurance policy covering the Executive;

(c) Death. Immediately upon the death of Executive; or

(d) Termination by the Company for Cause. Immediately upon a showing of "Cause", which for purposes of this Agreement shall mean Executive's (1) willful gross misconduct or gross or persistent negligence in the discharge of his duties; (2) act of dishonesty or concealment; (3) breach of his fiduciary duty or duty of loyalty to the Company; (4) a material breach of Section 4 or 5 hereof; (5) any other material breach by Executive of this Agreement, which breach has not been cured by Executive within thirty (30) days after written notice of such breach is given to Executive by the Company; (6) commission of repeated acts of substance abuse which are materially injurious to the Company; (7) commission of a criminal offense involving money or other property of the Company (excluding traffic or other similar violations); or (8) commission of a criminal offense that would, if committed in the State of Illinois, constitute a felony under the laws of the State of Illinois or the United States of America.

(e) Voluntary Resignation. Executive may terminate Executive's employment under this Agreement upon thirty (30) days' written notice to the Company. The Company, at its discretion, may waive the thirty (30) day notice requirement, and in such event shall be required to make any payments in lieu of notice.

(f) Resignation for Good Reason. Executive may terminate his employment under this Agreement immediately upon a showing of "Good Reason," which for purposes of this Agreement shall mean (1) a reduction by the Company in Executive's Base Salary beyond what is permitted by Section 3(a) or in his Target Bonus; (2) a material diminution in Executive's duties or responsibilities; (3) the Executive ceasing to report directly to the Company's Chief Executive Officer; (4) the relocation of Executive's principal place of employment to a geographic location other than the metropolitan Chicago area; or (5) any material breach by the Company of its obligations to Executive hereunder; provided, however, that Executive may resign for Good Reason only if he has given the Company written notice of its breach and the Company has not remedied such breach on or before the 30th day following the Company's receipt of such notice.

9. Termination Benefits.

(a) Termination by the Company Without Cause or Resignation for Good Reason. If Executive is terminated under Section 8(a) or resigns for Good Reason under Section 8(f), and upon execution, not later than 45 days following the termination date, of a separation agreement containing a general mutual release of all claims, the Company shall pay Executive an amount equal to Executive's Base Salary under Section 3(a) at the time of such termination for a period of twelve (12) months (each such payment a ***"Severance Payment"***). The Severance Payment shall be payable in installments, by direct deposit, in accordance with the Company's normal payroll practices. In addition, during the twelve months following termination (the ***"Severance Period"***) (i) should Executive timely elect to continue coverage pursuant to COBRA, the Company agrees to reimburse Executive for the COBRA premiums due to maintain health insurance coverage that is substantially equivalent to that which he received immediately prior to Executive's termination, (ii) vesting of the Options shall continue on the schedule set forth in the option agreement, and (iii) Executive's vested Options shall remain exercisable. The Company shall also pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused PTO, (ii) any business expenses incurred but not reimbursed as of the date of termination, (iii) Employee's guaranteed bonus for 2010 and any other award under the annual bonus program referred to in Section 3(a) that has been approved by the Chief Executive Officer and the Company's Board of Directors but not paid prior to termination and (iv) the costs of senior-executive level outplacement services for one year following termination; provided that such costs shall not exceed $15,000.

(b) Other Termination. In all other cases, the Company's obligation to make payments hereunder shall cease upon such termination, except the Company shall pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused PTO, and (ii) any business expenses incurred but not reimbursed as of the date of termination.

(c) Survival of Obligations. Executive's obligations pursuant to Sections 4, 5 and 9(d), the Company's obligations under Sections 9(a) and 9(b) and the parties' respective obligations under Articles 14 and 19 shall survive the expiration of the term of Executive's employment under this Agreement or any early termination thereof

(d) Returns. Upon termination of Executive's employment under this Agreement, or as otherwise requested by the Company, immediately upon the Company's request, Executive shall return to the Company all Company files, notes, business plans and forecasts, financial information, computer-recorded information, tangible property including computers, software, credit cards, entry cards, identification badges, cell phones, pager, keys, tools, equipment and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof).

10. Notices. All notices, reports, records or other communications which are required or permitted to be given to the parties under this Agreement shall be sufficient in all respects if given in writing and delivered in person, by telecopy, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving party at the address listed on the first page of this Agreement, or to such other address as such party may have given to the other by notice pursuant to this Section 10. In the case of any such communications to the Company, such communications shall also be delivered to the Board of Directors. Notice shall be deemed given on the date of delivery, in the case of personal delivery or telecopy, or on the delivery or refusal date, as specified on the return receipt, in the case of overnight courier or registered or certified mail.

11. Further Assurances. The parties shall cooperate fully with each other and execute such further instruments, documents and agreements, and shall give such further written assurances, as may be reasonably requested by one another to better evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intent and purposes of this Agreement. Without limiting the generality of the foregoing, Executive shall cooperate fully in assisting the Company to comply with contractual obligations of the Company to third parties regarding Inventions, Trade Secrets and copyrights.

12. Waiver of Breach. A waiver by the Company of a breach of any provision of this Agreement by Executive shall not operate or be construed as a waiver of any subsequent breach by Executive.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Any action pursuant to Section 4 or 5 above may be brought in the Courts in the State of Illinois, and by execution of this Agreement, Executive irrevocably submits to such jurisdiction.

14. Arbitration.

(a) Any dispute arising in connection with this Agreement or Executive's employment with the Company, except for equitable or injunctive actions pursuant to Section 4 or 5 above, or claims by Executive for workers' compensation, unemployment compensation or benefits under a Company benefits plan, shall be

submitted to final and binding arbitration conducted under the American Arbitration Association's National Rules for the Resolution of Employment Disputes. Judgment upon any award rendered by arbitration may be entered in any court having jurisdiction thereof.

(b) The arbitrator shall be selected by the mutual agreement of the parties. Any arbitrator selected shall be a licensed attorney having at least ten years of experience in labor or employment related practice areas. If the amount in dispute exceeds $250,000, the parties shall select, by mutual agreement, a panel of three arbitrators, rather than one arbitrator, to resolve the dispute.

(c) The arbitration shall be conducted in Chicago, Illinois (unless the corporate headquarters of the Company shall have been moved to another location, in which case the arbitration shall be conducted in such location). Reasonable discovery shall be permitted as determined by the arbitrator or arbitrators. Both parties to an arbitration shall have the right to be represented by counsel. The attorneys' fees and costs of the arbitrator and arbitration proceedings are to be shared equally between the parties, and all other costs and attorneys' fees are to be paid by the party incurring such costs and fees; provided, however, that the arbitrators shall have discretionary authority to award attorneys' and arbitrators' fees and expenses and the costs of arbitration to the prevailing party.

(d) Except as otherwise provided herein, this arbitration procedure is the exclusive remedy for any contractual, non-contractual or statutory claim of any kind, including claims arising under federal, state and local statutory law, including, but not limited to, the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 et seq.; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq.; the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.; the Employee Retirement Income Security Act, 29 U.S.C. § 1001 et seq.; the Illinois Human Rights Act, 75 ILCS § 5/1-101 et seq.; and common law or equitable claims alleging breach of contract, defamation, fraud, outrageous conduct, promissory estoppel, violation of public policy, wrongful discharge or any other tort, contract or equitable theory. Executive agrees to exhaust any and all internal dispute resolution procedures established by the Company prior to pursuing arbitration under this Agreement.

15. Severability. If any provision of this Agreement shall be held by any Court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the enforceability of all other provisions of this Agreement shall be unimpaired.

16. Binding Agreement. Executive shall not delegate or assign any of Executive's rights or obligations under this Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by Executive, the Company and the Company's successors and assigns; provided, however, that the Company may not assign this Agreement to any other person or entity without the prior written consent of Executive except (a) to Aircell Holdings Inc. or (b) in connection with a sale, assignment or other transfer by the Company of all or a substantial portion of its assets or business, in each of which events assignment of this Agreement is expressly permitted without the consent of Executive.

17. Merger; Amendment. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and no other statement, representation, warranty or covenant has been made by either party except as expressly set forth herein. This Agreement may be amended at any time, provided that such amendment is in writing and is signed by each of the parties.

18. Nature of Employment. EXECUTIVE IS EMPLOYED WITH THE COMPANY FOR NO SPECIFIC TERM OF EMPLOYMENT, AND IS EMPLOYED AT THE WILL OF THE COMPANY. NOTHING IN THIS AGREEMENT SHALL IN ANY WAY RESTRICT EXECUTIVE'S RIGHT OR THE RIGHT OF THE COMPANY TO TERMINATE EXECUTIVE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR FOR NO REASON, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT NOTICE.

19. Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the ***"Code"***), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4). In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code (***"409A Penalties"***), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's

separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by the Company under any applicable expense reimbursement policy, and shall be paid to Executive promptly following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit.

20. Definitions. in addition to terms defined above and elsewhere in this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" means (i) any parent or subsidiary of the Company and (ii) any person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Company. For purposes of this definition, the terms "controls," "is controlled by" or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

"Air-to-Ground Communication" means (i) data and/or voice communications directly or indirectly between an aircraft and the ground, including communications between an aircraft and the ground transmitted in whole or in part by satellite, (ii) data and/or voice communications within an aircraft, including all communications to or from the cabin and/or the cockpit of an aircraft, (iii) any and all related products and services and (iv) any and all products and services directly supportive thereof For the avoidance of doubt, Air-to-Ground Communications does not include communications by satellite that does not involve communication to or from an aircraft.

"Competitive Business" means any business engaged in (i) providing Air-to-Ground Communications, (ii) assembling, manufacturing, installing or selling equipment involved in or relating to Air-to-Ground Communications or (iii) any other business or activities that are substantially in competition with any other businesses in which the Company or any of its Affiliates engages in during Executive's employment or is actively contemplating entering into during Executive's employment. For purposes of this Agreement, in the event that a Competitive Business includes an organization with separate and distinct business units, to the extent possible, and upon the written approval of the Company, the term Competitive Business may be limited to only those business units(s) or persons of the Competitive Business that are engaged in, related to or become engaged in, or related to the business of Air-to-Ground Communications.

"Confidential Information" means all information relating to the Company, its Affiliates and their respective customers and suppliers considered by the Company or its Affiliates to be confidential and proprietary including, without limitation, (a) business plans, research, development and marketing strategies, customer names and lists, product and service prices and lines, processes, designs, formulae, methods, financial information, costs and supplies and (b) the Trade Secrets (as defined below). Confidential Information may include information which has been acquired or created by Executive or has otherwise become known to Executive through Executive's employment with Company. Confidential Information may also include information belonging to the Company's clients, customers or suppliers. "Confidential Information" shall not include the foregoing that is or becomes (i) in the public domain other than through acts by Executive, (ii) already lawfully in Executive's possession at the time of disclosure by the Company as evidenced by Executive's written records, (iii) disclosed to Executive by a third party who is not prohibited from disclosing the information pursuant to any fiduciary, contractual or other duty to any person or (iv) required by law, rule, regulation or court order to be disclosed.

"Existing Proprietary Rights" means all inventions, original works of authorship, developments, improvements and trade secrets that Executive has, alone or jointly with others, made, conceived, developed or reduced to practice or caused to be made, conceived, developed or reduced to practice prior to the Effective Date, whether or not patentable or registrable under patent, copyright or similar statutes, a list of which is attached to this Agreement as **Exhibit B**.

"Inventions" means discoveries, concepts, ideas, methods, formulae, techniques, developments, know-how, inventions and improvements, whether or not patentable or registrable under patent, copyright or similar statutes, conceived of or made by Executive at any time, whether before, during or after business hours, or with the use of the Company's facilities, materials or personnel, either solely or jointly with others after the

Effective Date and during Executive's employment by the Company and if based on or related to the Company's business, including, without limitation, existing and planned products and services and future products and services of the Company and its Affiliates.

"Trade Secrets" means any and all technology and information relating to the Company's and its Affiliates' business or their respective patents, methods, formulae, software, know-how, designs, products, processes, services, research development, inventions, systems, engineering and manufacturing which have been designated as secret or confidential or are the subject of efforts that are reasonable under the circumstances to maintain their secrecy or confidentiality and which are sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons.

The parties have executed this Agreement on the date first above written, effective as of the Effective Date.

COMPANY:

AIRCELL LLC

Date: 10-7-10

/s/ Michael Small
Michael Small

Title: President & CEO

EXECUTIVE:

Date: 10-4-10

/s/ Ash ElDifrawi
Ash ElDifrawi

Exhibit A

Aircell Executive Relocation Program Summary

Overview: This program is intended to assist you and your family by providing benefits and support while relocating with the company. These benefits cover various relocation related costs. However, depending on your personal circumstances they may not necessarily cover all expenses.

Summary of Benefits:

- **Reimbursable Home Selling Expenses:** Aircell will reimburse the real estate broker sales commission of up to 7% of the sale price of your property.
- **Interim Living Expenses:** Aircell will pay or reimburse you for customary and reasonable interim living expenses for up to nine months beginning on your start date.
- **Normal Closing Costs:** Aircell will reimburse normal and customary closing costs up to $5,000 normally paid by the buyer.
- **Graebel Relocation Services:** Graebel will provide assistance to you during your relocation including the selection of real estate brokers familiar with corporate relocations. Aircell will arrange through Graebel to survey, pack and load, transport and unload your household goods. Aircell will pay all usual and reasonable costs of packing, transporting, unloading and unpacking the furniture and household effects directly to the van line itself. Costs to re-install appliances at the new location, insure goods during the move and store goods for a period of 90 days will also be covered. Fees will be billed directly to, and paid by Aircell.
- **Time Allowed for Final Move:** As part of the final move, and subject to management approval, up to five working days (paid) will be provided to complete the move (closing, pack, travel, unpack, etc).

Tax Implications: It is Aircell's intention to reasonably protect you by reimbursing for most income tax liabilities incurred during the relocation. IRS regulations require the company to report most of the relocation expenses paid to you, or on your behalf as income on the W-2 form. You may also be entitled to claim a deduction on personal income tax returns for some of the relocation related expenses.

Gross Up Provision: For tax purposes, Aircell will “gross up” expenses covered by the company that are not excludable from taxable income, or have no offsetting tax deduction. Through this provision, the company will provide cash to offset the estimated increase in tax liability associated with these expenses.

Exhibit B

Existing Proprietary Rights

None

Exhibit 10.2.4

EMPLOYMENT AGREEMENT

This Employment Agreement is entered into on this 21st day of October, 2008 (this ***"Agreement"***) by and between **AIRCELL LLC**, 1250 N. Arlington Heights Road, Suite 500, Itasca Illinois, 60143 (the ***"Company"),*** and **JOHN WADE**, [address on file with the Company] (***"Executive"***). Upon occurrence of the Effective Date (as defined below), this Agreement shall supersede and replace all other agreements, whether oral or written, related to the terms of Executive's employment with the Company. Certain capitalized terms used herein have the meanings given to them in Section 19 hereof.

AGREEMENT:

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Employment.** The Company hereby agrees to employ Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein, and agrees to perform duties as assigned by the Board of Directors of AC Holdco EEC (the ***"Board of Directors"***).

2. **Capacity and Duties**. As of the Effective Date (11/10/2008). Executive shall be employed by the Company as its Senior Vice President and General Manager — Business Aviation Services. During Executive's employment with the Company, Executive shall perform the duties and bear the responsibilities commensurate with Executive's position, and shall serve the Company faithfully and to the best of Executive's ability, under the direction of the Company's President & Chief Executive Officer. Executive's actions shall at all times be such that they do not discredit the Company or its products and services, and Executive shall not engage in any business activity or activities that require significant personal services by Executive or that, in the sole judgment of the Company, may conflict with the proper performance of Executive's duties hereunder. Executive shall devote all Executive's working time, working attention, and working energies to the business of the Company.

3. **Compensation**.

   (a) **Base Salary**. The Company shall pay to Executive as base compensation for all of the services to be rendered by Executive under this Agreement a salary at the rate of $190,000 per annum (the ***"Base Salary"***), payable in accordance with such normal payroll practices as are adopted by the Company from time to time, subject to withholdings for federal, state and local taxes, FICA and other withholding required by applicable law, regulation or ruling. In addition, Executive shall be eligible for an annual bonus payable in the first quarter of the year following the year in which the bonus is earned. Solely with respect to 2008, the amount of such bonus shall be the amount that Executive would have received for 2008 had his employment at OnAir continued through year end, as demonstrated by Executive to the Company's reasonable satisfaction; provided, that such bonus shall not exceed $30,000. For

2009 and thereafter, Executive's target bonus shall be thirty percent (30%) of Base Salary, and the amount of the annual bonus, if any, shall be decided by the Chief Executive Officer, subject to the approval of the Board of Directors and shall be based upon achievement of both personal and corporate objectives. The Base Salary shall be reviewed by the Chief Executive Officer at least annually. Unless the Company and Executive mutually agree otherwise, Executive's annual salary shall not be reduced by more than ten percent (10%) of Executive's then current Base Salary unless as part of an overall compensation reduction at the Company that impacts salaries of all executives of the Company.

(b) **Reimbursement of Expenses, Company Facilities**. The Company shall pay or reimburse Executive for all reasonable, ordinary and necessary travel and other expenses incurred by Executive in the performance of Executive's obligations under this Agreement, in accordance with the Company's travel and expense reimbursement policies for management employees. The Company shall provide to Executive, at the Company's principal place of business, the necessary office facilities and equipment to perform Executive's obligations under this Agreement.

(c) **Relocation Benefits**. For a reasonable period (not to exceed one year) following the Effective Date, Executive's primary residence shall be in Renton, Washington. Within one year following the Effective Date, Executive intends to relocate to the metropolitan Denver area. The Company will reimburse Executive for reasonable interim housing expenses prior to relocation and for certain reasonable expenses related to relocation as set forth in Exhibit A (***"Relocation Benefits"***). The payment of any Relocation Benefits is expressly conditioned upon proper presentation of receipts and vouchers and pre-approval of specified expenses by the Company's Chief Executive Officer. The Company makes no representations regarding the proper tax treatment of reimbursed Relocation Benefits on executive's federal or state income tax returns, and Executive is responsible for obtaining independent advice from his personal tax advisor.

(d) **Vacation and Personal Time Off**. Executive shall be entitled to personal time off consistent with the Company's policy as in effect on December 31, 2007, and to a minimum of four (4) weeks of vacation per year.

(e) **Benefits**. Executive shall be eligible to participate in all normal company benefits including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms thereof.

(f) **Directors and Officers Insurance**. Customary officers and directors liability insurance shall be obtained and maintained by the Company for reasonable and customary coverage of the Company and Executive, at no cost to Executive.

(g) **Long Term Incentive Plan**. Executive shall be entitled to receive 125,000 Profit Participation Shares pursuant to the Company's standard terms and conditions as set forth in the grant notice and AC Management LLC's Limited Liability Company Agreement (**"LLC Agreement"**) (collectively the "**Long Term Incentive Plan"**).

Subject to Executive's continued employment hereunder, 1/16 of the Profit Participation Shares shall vest upon grant, with the balance vesting in fifteen equal quarterly installments beginning February 10, 2009 and ending November 10, 2012. The Profit Participation Shares shall be subject to full acceleration upon a ***"Change in Control"*** as defined in the LLC Agreement.

4. Confidentiality; Ownership of Confidential Information and Inventions.

(a) **Receipt of Confidential Information**. Executive's employment by the Company creates a relationship of confidence and trust between Executive and the Company with respect to certain information applicable to the business of the Company and its clients or customers. Executive acknowledges that during Executive's employment by the Company and as a result of the confidential relationship with the Company established thereby. Executive shall be receiving Confidential Information and that the Confidential Information is a highly valuable asset of the Company.

(b) **Nondisclosure**. During Executive's employment with the Company and at all times thereafter, regardless of the reason for the termination of such employment, Executive shall retain in strict confidence and shall not use for any purpose whatsoever or divulge, disseminate, or disclose to any third party (other than in the furtherance of the business purposes of the Company and with the Company's prior written consent) all Confidential Information, all of which is deemed confidential and proprietary.

(c) **Disclosure**. Executive shall inform the Company promptly and fully of all Inventions by a written report, setting forth in detail a description of the Invention, the procedures used and the results achieved. Executive shall submit a report upon completing any studies or research projects undertaken on the Company's behalf, whether or not Executive believes that project has resulted in an Invention. Executive agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all Inventions, which records shall be available to and remain the sole property of the Company at all times.

(d) **Ownership; Cooperation**. All Confidential Information and Inventions shall be and remain the sole property of the Company. Executive promptly shall execute and deliver to the Company any instruments deemed necessary by it to effect disclosure and assignment of all Inventions to the Company including, without limitation, assignment agreements satisfactory to the Company. Upon request of the Company, during and after Executive's employment with the Company, Executive shall execute patent, copyright, trademark, mask work or other applications and any other instruments deemed necessary by the Company for the prosecution of such patent applications or the acquisition of letters patent or registration of copyrights, trademarks or mask works in the United States and foreign countries based on such Inventions; *provided*, *however*, that if Executive incurs any expenses in connection with the foregoing obligation after Executive's employment with the Company is terminated, the Company shall compensate Executive at a reasonable rate for the time actually spent by Executive at the Company's request in satisfying such obligation.

(e) **Works for Hire**. To the extent the Inventions consist of original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment and which are protectable by copyright, Executive acknowledges that all such original works of authorship are "works for hire" as that term is defined in the United States Copyright Act (17 U.S.C. Section 101).

5. **Covenants-Not-to-Compete**. In consideration of Executive's continued employment as an executive of the Company and in consideration of the Company's obligations contained in this Agreement, including, without limitation, its agreeing to grant the Profit Participation Shares described in Section 3(g) and pay severance benefits in the circumstances specified in Section 9(a), and because Executive shall have access to Confidential Information, including, without limitation, Trade Secrets, Executive hereby covenants as follows:

(a) **Covenants**. Without the prior written consent of the Board, (x) during Executive's employment with the Company and (y) for six (6) months alter leaving the employment of the Company, whether voluntarily or involuntarily, Executive shall not directly or indirectly, personally, by agency, as an employee, officer or director, through a corporation, partnership, limited liability company, or by any other artifice or device:

(i) Own, manage, operate, control, work for, provide services to, employ, have any financial interest in, consult to, lend Executive's name to or engage in any capacity in any enterprise, business, company or other entity (whether existing or newly established) engaged in a Competitive Business, whether in anticipation of monetary compensation or otherwise;

(ii) Hire, solicit or otherwise induce any current or former employee of the Company or any of its Affiliates to terminate his or her employment with the Company or such Affiliate or to engage in any Competitive Business, or intentionally interfere with the relationship of the Company or any of its Affiliates with any such employee or former employee;

(iii) Solicit or service in any way in connection with or relating to a Competitive Business, on behalf of Executive or on behalf of or in conjunction with others, any supplier, client or customer, or prospective supplier, client, or customer, who has been solicited or serviced by the Company or any of its Affiliates; or

(iv) Assist others in doing anything prohibited by clause (i), (ii) or (iii) above; in each case anywhere in the United States. The covenants in this Section 5(a) shall be specifically enforceable. However, the covenants in this Section 5(a) shall not be construed to prohibit the ownership of not more than one percent of the equity of any publicly-held entity engaged in direct competition with the Company, so long as Executive is not otherwise engaged with such entity in any of the other activities specified in Section 5(a)(i) through (iv) above.

(b) **Severability of Covenants**. For purposes of this Section 5, Executive and the Company intend that the covenants contained in Section 5 shall be construed as separate covenants, one for each activity and each geographic area. If one or more of these covenants are adjudicated to be unenforceable, such unenforceable covenant shall be deemed eliminated from this Section 5 to the extent necessary to permit the remaining separate covenants to be enforced.

(c) **Acknowledgment**. Executive acknowledges that the covenants made by Executive in this Agreement are intended to protect the legitimate business interests of the Company and not to prevent or interfere with Executive's ability to earn a living.

6. **Injunctive Relief; Legal Fees**. If Executive violates any of the provisions of Section 4 or 5 hereof (the ***"Applicable Sections"***), the Company shall be entitled to seek and, if awarded by a court or arbitrator, obtain immediate and permanent injunctive relief in addition to all other rights and remedies it may have, it being agreed that a violation of the Applicable Sections would cause the Company irreparable harm, and the damages which the Company would sustain upon such violation are difficult or impossible to ascertain in advance. If the Company takes legal action to enforce the covenants contained in the Applicable Sections, or to enjoin Executive from violating the Applicable Sections, as part of its damages, the prevailing party shall be entitled to recover its reasonable legal costs and expenses for bringing and maintaining any such action from the losing party.

7. **No Conflict**. Executive represents and warrants to the Company that Executive's employment with the Company will not violate any other agreement or arrangement Executive has or may have had with any other former employer. Executive covenants that under no circumstances shall Executive disclose to the Company or use for the benefit of the Company any confidential or proprietary information of any former employer or other third party, and Executive shall hold all such information in confidence, and shall comply with the terms of any and all applicable agreements between Executive and the third party with respect to such information.

8. **Termination**. Executive and the Company each acknowledge that either party has the right to terminate Executive's employment with the Company at any time for any reason whatsoever, with or without cause, pursuant to the following:

(a) **Termination by the Company Without Cause**. Upon thirty (30) days' written notice to Executive. or at the Company's discretion, pay in lieu of notice;

(b) **Disability**. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice, if Executive is prevented from performing Executive's duties by reason of illness or incapacity for a continuous period of 120 days:

(c) **Death**. Immediately upon the death of Executive; or

(d) **Termination by the Company for Cause**. Immediately upon a showing of "Cause", which for purposes of this Agreement shall mean Executive's (1) willful gross misconduct or gross or persistent negligence in the discharge of his duties; (2) act of dishonesty or concealment; (3) breach of her fiduciary duty or duty of loyalty to the Company; (4) a material breach of Section 4 or 5 hereof; (5) any other material breach by Executive of this Agreement, which breach has not been cured by Executive within thirty (30) days after written notice of such breach is given to Executive by the Company; (6) commission of repeated acts of substance abuse which are materially injurious to the Company; (7) commission of a criminal offense involving money or other property of the Company (excluding traffic or other similar violations); or (8) commission of a criminal offense that would, if committed in the State of Colorado, constitute a felony under the laws of the State of Colorado or the United States of America.

(e) **Voluntary Resignation**. Executive may terminate Executive's employment under this Agreement upon thirty (30) days' written notice to the Company. The Company, at its discretion, may waive the thirty (30) day notice requirement, and in such event shall be required to make any payments in lieu of notice.

9. Termination Benefits.

(a) **Termination by the Company Without Cause**. If Executive is terminated under Section 8(a), and upon execution of a separation agreement containing a general release of all claims against the Company, the Company shall pay Executive an amount equal to Executive's Base Salary under Section 3(a) at the time of such termination for a period of six (6) months (a ***"Severance Payment"***). The Severance Payment shall be payable in installments, by direct deposit, in accordance with the Company's normal payroll practices. In addition, during any Severance Payment period, should Executive timely elect to continue coverage pursuant to COBRA, the Company agrees to reimburse Executive for the COBRA premiums due to maintain health insurance coverage that is substantially equivalent to that which he received immediately prior to Executive's termination. The Company shall also pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused personal time, (ii) any business expenses incurred but not reimbursed as of the date of termination and (iii) any award under the annual bonus program referred to in Section 3(a) that has been approved by the Chief Executive Officer and the Company's Board of Directors but not paid prior to termination (including without limitation the bonus payable with respect to 2008 as described in the third sentence of Section 3(a)).

(b) **Other Termination**. In all other cases, the Company's obligation to make payments hereunder shall cease upon such termination, except the Company shall pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused personal time, (ii) any business expenses incurred but not reimbursed as of the date of termination and (iii) any award under the annual bonus program referred to in Section 3(a) that has been approved by the Chief. Executive Officer and the Company's Board of Directors but not paid prior to termination.

(c) **Survival of Obligations**. Executive's obligations pursuant to Sections 4 and 5 shall survive the expiration of the term of Executive's employment under this Agreement or any early termination thereof.

(d) **Returns**. Upon termination of Executive's employment under this Agreement, or as otherwise requested by the Company, immediately upon the Company's request, Executive shall return to the Company all of the Company keys, credit cards, product samples, records, data, notes, reports, proposals, lists of existing and proposed customers, correspondence, specifications, drawings, blue-prints, sketches, materials, equipment, other documents or property, together with all copies thereof belonging to the Company, its successors or assigns, and all Confidential Information (in all media) in Executive's possession or under Executive's control.

10. **Notices**. All notices, reports, records or other communications which arc required or permitted to be given to the parties under this Agreement shall be sufficient in all respects if given in writing and delivered in person, by telecopy, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving party at the address listed on the first page of this Agreement, or to such other address as such party may have given to the other by notice pursuant to this Section 10. In the case of any such communications to the Company, such communications shall also be delivered to the Board of Directors. Notice shall be deemed given on the date of delivery, in the case of personal delivery or telecopy. or on the delivery or refusal date, as specified on the return receipt. in the case of overnight courier or registered or certified mail.

11. **Further Assurances**. The parties shall cooperate fully with each other and execute such further instruments, documents and agreements, and shall give such further written assurances, as may be reasonably requested by one another to better evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intent and purposes of this Agreement. Without limiting the generality of the foregoing, Executive shall cooperate fully in assisting the Company to comply with contractual obligations of the Company to third parties regarding Inventions, Trade Secrets and copyrights.

12. **Waiver of Breach**. A waiver by the Company of a breach of any provision of this Agreement by Executive shall not operate or be construed as a waiver of any subsequent breach by Executive.

13. **Applicable Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Any action pursuant to Section 4 or 5 above may be brought in the Courts in the State of Colorado, and by execution of this Agreement, Executive irrevocably submits to such jurisdiction.

14. Arbitration.

(a) Any dispute arising in connection with this Agreement or Executive's employment with the Company, except For equitable or injunctive actions pursuant to Section 4 or 5 above, or claims by Executive for workers' compensation, unemployment compensation or benefits under a Company benefits plan, shall be submitted to final and binding arbitration. Judgment upon any award rendered by arbitration may be entered in any court having jurisdiction thereof.

(b) The arbitrator shall be selected by the mutual agreement of the parties. Any arbitrator selected shall be a professional having at least ten years of experience in labor or employment related practice areas. If the amount in dispute exceeds $250,000, the parties shall select, by mutual agreement, a panel of three arbitrators, rather than one arbitrator, to resolve the dispute.

(c) The arbitration shall be conducted in Chicago, Illinois (unless the corporate headquarters of the Company shall have been moved to another location, in which case the arbitration shall be conducted in such location). Reasonable discovery shall be permitted as determined by the arbitrator or arbitrators. Both parties to an arbitration shall have the right to be represented by counsel. The attorneys' fees and costs of the arbitrator and arbitration proceedings are to be shared equally between the parties, and all other costs and attorneys' fees are to be paid by the party incurring such costs and fees.

(d) Except as otherwise provided herein, this arbitration procedure is the exclusive remedy for any contractual, non-contractual or statutory claim of any kind, including claims arising under federal, state and local statutory law, including, but not limited to, the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 *et seq.;* Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Employee Retirement Income Security Act, 29 U.S.C. § 1001 *et seq.*; the Colorado Anti-Discrimination Act of 1957, C.R.S. § 24-34-401 *et seq.*; the Colorado Wage Payment Act, C.R.S. §8-4-100 *et seq.*; and common law or equitable claims alleging breach of contract, defamation, fraud, outrageous conduct, promissory estoppel, violation of public policy, wrongful discharge or any other tort, contract or equitable theory. Executive agrees to exhaust any and all internal dispute resolution procedures established by the Company prior to pursuing arbitration under this Agreement.

15. Severability. If any provision of this Agreement shall be held by any Court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the enforceability of all other provisions of this Agreement shall be unimpaired.

16. Binding Agreement. Executive shall not delegate or assign any of Executive's rights or obligations under this Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by Executive, the Company and the Company's successors and assigns; *provided, however,* that the

Company may not assign this Agreement to any other person or entity without the prior written consent of Executive except (a) to AC HoldCo LLC or a wholly-owned subsidiary thereof or (b) in connection with a sale, assignment or other transfer by the Company of all or a substantial portion of its assets or business, in each of which events assignment of this Agreement is expressly permitted without the consent of Executive.

17. **Merger; Amendment**. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and no other statement, representation, warranty or covenant has been made by either party except as expressly set forth herein. This Agreement may be amended at any time, *provided* that such amendment is in writing and is signed by each of the parties.

18. **Nature of Employment**. EXECUTIVE IS EMPLOYED WITH THE COMPANY FOR NO SPECIFIC TERM OF EMPLOYMENT, AND IS EMPLOYED AT THE WILL OF THE COMPANY. NOTHING IN THIS AGREEMENT SHALL IN ANY WAY RESTRICT EXECUTIVE'S RIGHT OR THE RIGHT OF THE COMPANY TO TERMINATE EXECUTIVE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR FOR NO REASON, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT NOTICE.

19. **Definitions**. In addition to terms defined above and elsewhere in this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" means (i) any parent or subsidiary of the Company and (ii) any person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Company. For purposes of this definition, the terms "controls," "is controlled by" or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

"Air-to-Ground Communication" means (i) data and/or voice communications directly or indirectly between an aircraft and the ground, including communications between an aircraft and the ground transmitted in whole or in part by satellite, (ii) data and/or voice communications within an aircraft, including all communications to or from the cabin and/or the cockpit of an aircraft. (iii) any and all related products and services and (iv) any and all products and services directly supportive thereof. For the avoidance of doubt, Air-to-Ground Communications does not include communications by satellite that does not involve communication to or from an aircraft.

"Competitive Business" means any business engaged in (i) providing Air-to-Ground Communications, (ii) assembling, manufacturing, installing or selling equipment involved in or relating to Air-to-Ground Communications or (iii) any other business or activities that are substantially in competition with any other businesses in which the Company or any of its Affiliates engages in during Executive's employment or is actively contemplating entering into during Executive's employment. For purposes of this Agreement, in the event that a Competitive Business includes an organization with

separate and distinct business units, to the extent possible, and upon the written approval of the Company, the term Competitive Business may be limited to only those business units(s) or persons of the Competitive Business that are engaged in, related to or become engaged in, or related to the business of Air-to-Ground Communications.

"Confidential Information" means all information relating to the Company, its Affiliates and their respective customers and suppliers considered by the Company or its Affiliates to be confidential and proprietary including, without limitation, (a) business plans, research, development and marketing strategies, customer names and lists, product and service prices and lines, processes, designs, formulae, methods, financial information, costs and supplies and (b) the Trade Secrets (as defined below). Confidential Information may include information which has been acquired or created by Executive or has otherwise become known to Executive through Executive's employment with Company. Confidential Information may also include information belonging to the Company's clients, customers or suppliers. "Confidential Information" shall not include the foregoing that is or becomes (i) in the public domain other than through acts by Executive, (ii) already lawfully in Executive's possession at the time of disclosure by the Company as evidenced by Executive's written records, (iii) disclosed to Executive by a third party who is not prohibited from disclosing the information pursuant to any fiduciary, contractual or other duty to any person or (iv) required by law, rule, regulation or court order to be disclosed.

"Effective Date" means November 10, 2008.

"Existing Proprietary Rights" means all inventions, original works of authorship, developments, improvements and trade secrets that Executive has, alone or jointly with others, made, conceived, developed or reduced to practice or caused to be made, conceived, developed or reduced to practice prior to the Effective Date, whether or not patentable or registrable under patent, copyright or similar statutes, a list of which is attached to this Agreement as Exhibit B.

"Inventions" means discoveries, concepts, ideas, methods, formulae, techniques, developments, know-how, inventions and improvements, whether or not patentable or registrable under patent, copyright or similar statutes, conceived of or made by Executive at any time, whether before, during or after business hours, or with the use of the Company's facilities, materials or personnel, either solely or jointly with others after the Effective Date and during Executive's employment by the Company and if based on or related to the Company's business, including, without limitation, existing and planned products and services and future products and services of the Company and its Affiliates.

"Trade Secrets" means any and all technology and information relating to the Company's and its Affiliates' business or their respective patents, methods, formulae, software, know-how, designs, products, processes, services, research development, inventions, systems, engineering and manufacturing which have been designated as secret or confidential or are the subject of efforts that are reasonable under the circumstances to maintain their secrecy or confidentiality and which are sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons.

The parties have executed this Agreement on the date first above written, effective as of the Effective Date.

COMPANY:

AIRCELL LLC

Date: 10/21/08

Name: /s/ Jack Blumenstein
Jack Blumenstein
President and Chief Executive Officer

EXECUTIVE:

Date: 10/21/08

Name: /s/ John Wade
John Wade

EXHIBIT A

Executive Relocation Program Summary

Overview: This program is intended to assist Executive and his family by providing benefits and support while relocating with the Company. These benefits cover various relocation related costs. However, depending on Executive's personal circumstances they may not necessarily cover all expenses. This relocation benefit must be used within one year of the Effective Date.

Summary of Benefits:

☐ **Reimbursable Home Selling Expenses:** Aircell will reimburse the real estate broker sales commission of up to 7% of the sale price of your property.

☐ **Interim Living, Home Finding and Final Move Expenses:** Aircell will provide $10,000 to cover interim living, home finding and other miscellaneous expenses related to the move. The interim living period will begin on the Effective Date.

☐ **Normal Closing Costs:** Aircell will reimburse normal and customary closing costs up to $5,000 normally paid by the buyer. These expenses will be grossed up for tax purposes.

☐ **Graebel Relocation Services:** Graebel will provide assistance to Executive during the relocation including the selection of real estate brokers familiar with corporate relocations. Aircell will arrange through Graebel to survey, pack and load, transport and unload your household goods. Aircell will pay all usual and reasonable costs of packing, transporting, unloading and unpacking the furniture and household effects directly to the van line itself. Costs to re-install appliances at the new location, insure goods during the move and store goods for a period of 30 days will also be covered. Fees will be billed directly to, and paid by Aircell.

☐ **Time Allowed for Final Move:** As part of the final move, and subject to management approval, up to five working days (paid) will be provided to complete the move (closing, pack, travel, unpack, etc).

Tax Implications: It is Aircell's intention to reasonably protect Executive by reimbursing for most income tax liabilities incurred during the relocation. IRS regulations require the Company to report most of the relocation expenses paid to Executive, or on Executive's behalf, as income on the W-2 form. Executive may also be entitled to claim a deduction on personal income tax returns for some of the relocation related expenses.

Gross Up Provision: For tax purposes, Aircell will "gross up" expenses covered by the Company that are not excludable from taxable income, or have no offsetting tax deduction. Through this provision, the Company will provide cash to offset the estimated increase in tax liability associated with these expenses.

EXHIBIT B

Existing Proprietary Rights

None.

Exhibit 10.2.5

AMENDMENT NUMBER ONE TO EMPLOYMENT AGREEMENT

WHEREAS, AirCell LLC (the "Company") and John Wade (the "Executive") have heretofore entered into an Employment Agreement dated as of October 21, 2008 (the "Agreement"); and

WHEREAS, the Company and the Executive desire to amend the Agreement to comply with final regulations issued under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, pursuant to Section 17 of the Agreement, the Agreement is hereby amended as follows, effective as of January 1, 2009:

1. Section 3(a) of the Agreement is hereby amended by deleting the second sentence thereof, and inserting the following sentence in its place:

"In addition, Executive shall be eligible for an annual bonus payable within 2 1/2 months following the year with respect to which the bonus is earned."

2. Section 9(a) of the Agreement is hereby amended by inserting the phrase ", not later than 45 days after the date of such termination," immediately after the phrase "upon execution of a separation agreement," where it appears in the first sentence thereof.

3. The Agreement is hereby amended by renumbering Sections 15 through 19, and all references thereto, as Sections 16 through 20, respectively, and by adding the following new Section 15, to read as follows:

15. **Section 409A**. This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under

either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4). In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by the Company under any applicable expense reimbursement policy, and shall be paid to Executive promptly following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer and the Executive has executed this instrument as of this 23rd day of December, 2008.

AirCell LLC

By:

/s/ John Wade

John Wade

Exhibit 10.2.6

EMPLOYMENT AGREEMENT

This Employment Agreement is entered into on this 12th day of July, 2006 (this ***"Agreement"***) by and between AIRCELL, INC., 1172 Century Drive, Suite 280, Building B, Louisville, CO 80027 (the ***"Company"***), and **ANAND K. CHARI, [address on file with the Company]** (***"Executive"***). Upon occurrence of the Effective Date (as defined below), this Agreement shall supersede and replace all other agreements, whether oral or written, related to the terms of Executive's employment with the Company, including, but not limited to, that certain Offer Letter dated June 27, 2006 (the ***"Offer Letter"***). Certain capitalized terms used herein have the meanings given to them in Section 19 hereof.

AGREEMENT:

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Employment. The Company hereby agrees to employ Executive, and Executive hereby accepts such employment upon the terms and conditions set forth herein and agrees to perform duties as assigned by the Company's Board of Directors.

2. Capacity and Duties. Executive shall be employed by the Company as its Vice President of ABS Engineering. During Executive's employment with the Company, Executive shall perform the duties and bear the responsibilities commensurate with Executive's position, and shall serve the Company faithfully and to the best of Executive's ability, under the direction of the Company's Vice President, Engineering and Chief Technology Officer. Executive's actions shall at all times be such that they do not discredit the Company or its products and services, and Executive shall not engage in any business activity or activities that require significant personal services by Executive or that, in the sole judgment of the Company, may conflict with the proper performance of Executive's duties hereunder. Executive shall devote all Executive's working time, working attention, and working energies to the business of the Company.

3. Compensation.

(a) Base Salary. The Company shall pay to Executive as base compensation for all of the services to be rendered by Executive under this Agreement a salary at the rate of $185,000 per annum (the ***"Base Salary"***), payable in accordance with such normal payroll practices as are adopted by the Company from time to time, subject to withholdings for federal, state and local taxes, FICA and other withholding required by applicable law, regulation or ruling. In addition, Executive shall be eligible for an annual bonus with a target of 20% of Base Salary under an annual bonus program. The amount of such annual bonus shall be decided by the Chief Executive Officer, subject to the approval of the Company's Board of Directors. The Base Salary shall be reviewed by the Chief Executive Officer at least annually. Unless the Company and Executive mutually agree otherwise, Executive's annual salary shall not be reduced by more than 10% of Executive's then current Base Salary unless as part of an overall compensation reduction at the Company that impacts salaries of all executives of the Company.

(b) Reimbursement of Expenses, Company Facilities. The Company shall pay or reimburse Executive for all reasonable, ordinary and necessary travel and other expenses incurred by Executive in the performance of Executive's obligations under this Agreement, in accordance with the Company's travel and expense reimbursement policies for management employees. The Company shall provide to Executive, at the Company's principal place of business, the necessary office facilities and equipment to perform Executive's obligations under this Agreement.

(c) Vacation and Personal Time Off. Executive shall be entitled to personal time off consistent with the Company's customary policy, and to a minimum of two (2) weeks vacation during the first year of Executive's employment, and a minimum of three (3) weeks vacation per year between the first (1st) and seventh (7th) year of employment. After seven (7) years of employment, Executive will accrue four (4) weeks of vacation per year. Executive will also receive five (5) personal paid days off per year, granted upon hire in accordance with company guidelines, prorated Executive's first year of employment.

(d) Benefits. Executive shall be eligible to participate in all normal company benefits including the Company's 401(k), retirement, medical, dental and life and disability insurance plans and programs in accordance with the terms thereof.

(e) Directors and Officers Insurance. Customary officers and directors liability insurance shall be obtained and maintained by the Company for reasonable and customary coverage of the Company and Executive, at no cost to Executive.

(f) Management Units. Subject to approval by the Company's Board of Directors, Executive shall be entitled to receive, on or promptly after the Closing Date, "Management Units" representing a 0.125% interest in the profits, gains and other income of AC HoldCo LLC as specified in the Management Plan adopted by the Board of Directors of AC HoldCo LLC. Such Management Units shall be subject to the terms and conditions of the Management Plan and subject to Executive's continued employment hereunder, the Management Units shall vest and cease to be forfeitable in 16 equal three-month installments during the period ending on the fourth anniversary of the Effective Date. Subject to Executive's continued employment, Executive will also receive hereunder an additional grant of a comparable number of Management Units representing a 0.125% interest in the profits, gains and other income of AC HoldCo LLC as specified in the Management Plan adopted by the Board of directors of AC HoldCo LLC on the one year anniversary of the Effective Date (***"Second Management Grant"***). The vesting commencement date of the Second Management Grant, if any, will be the Effective Date.

4. Confidentiality; Ownership of Confidential Information and Inventions.

(a) Receipt of Confidential Information. Executive's employment by the Company creates a relationship of confidence and trust between Executive and the Company with respect to certain information applicable to the business of the Company and its clients or customers. Executive acknowledges that during Executive's employment by the Company and as a result of the confidential relationship with the Company established thereby, Executive shall be receiving Confidential Information and that the Confidential Information is a highly valuable asset of the Company.

(b) Nondisclosure. During Executive's employment with the Company and at all times thereafter, regardless of the reason for the termination of such employment, Executive shall retain in strict confidence and shall not use for any purpose whatsoever or divulge, disseminate, or disclose to any third party (other than in the furtherance of the business purposes of the Company and with the Company's prior written consent) all Confidential Information, all of which is deemed confidential and proprietary.

(c) Disclosure. Executive shall inform the Company promptly and fully of all Inventions by a written report, setting forth in detail a description of the Invention, the procedures used and the results achieved. Executive shall submit a report upon completing any studies or research projects undertaken on the Company's behalf, whether or not Executive believes that project has resulted in an Invention. Executive agrees to keep and maintain adequate and current records (in the form of notes, sketches, drawings and in any other form that may be required by the Company) of all Inventions, which records shall be available to and remain the sole property of the Company at all times,

(d) Ownership; Cooperation. All Confidential Information and Inventions shall be and remain the sole property of the Company. Executive promptly shall execute and deliver to the Company any instruments deemed necessary by it to effect disclosure and assignment of all Inventions to the Company including, without limitation, assignment agreements satisfactory to the Company. Upon request of the Company, during and after Executive's employment with the Company, Executive shall execute patent, copyright, trademark, mask work or other applications and any other instruments deemed necessary by the Company for the prosecution of such patent applications or the acquisition of letters patent or registration of copyrights, trademarks or mask works in the United States and foreign countries based on such Inventions; *provided, however,* that if Executive incurs any expenses in connection with the foregoing obligation after Executive's employment with the Company is terminated, the Company shall compensate Executive at a reasonable rate for the time actually spent by Executive at the Company's request in satisfying such obligation.

(e) Works for Hire. To the extent the Inventions consist of original works of authorship which are made by Executive (solely or jointly with others) within the scope of Executive's employment and which are protectable by copyright, Executive acknowledges that all such original works of authorship are "works for hire" as that term is defined in the United States Copyright Act (17 U.S.C., Section 101).

5. Covenants-Not-to-Compete. In consideration of Executive's continued employment as an executive of the Company and in consideration of the Company's obligations contained in this Agreement, including, without limitation, its agreeing to grant the Management Units described in Section 3(f) and pay severance benefits in the circumstances specified in Section 9(a), and because Executive shall have access to Confidential Information, including, without limitation, Trade Secrets, Executive hereby covenants as follows:

(a) Covenants. Without the prior written consent of the Board, (x) during Executive's employment with the Company and (y) for one (1) year after leaving the employment of the Company, whether voluntarily or involuntarily, Executive shall not directly or indirectly, personally, by agency, as an employee, officer or director, through a corporation, partnership, limited liability company, or by any other artifice or device:

(i) Own, manage, operate, control, work for, provide services to, employ, have any financial interest in, consult to, lend Executive's name to or engage in any capacity in any enterprise, business, company or other entity (whether existing or newly established) engaged in a Competitive Business, whether in anticipation of monetary compensation or otherwise;

(ii) Hire, solicit or otherwise induce any current or former employee of the Company or any of its Affiliates to terminate his or her employment with the Company or such Affiliate or to engage in any Competitive Business, or intentionally interfere with the relationship of the Company or any of its Affiliates with any such employee or former employee;

(iii) Solicit or service in any way in connection with or relating to a Competitive Business, on behalf of Executive or on behalf of or in conjunction with others, any supplier, client or customer, or prospective supplier, client, or customer, who has been solicited or serviced by the Company or any of its Affiliates; or

(iv) Assist others in doing anything prohibited by clause (i), (ii) or (iii) above; in each case anywhere in the United States. The covenants in this Section 5(a) shall be specifically enforceable. However, the covenants in this Section 5(a) shall not be construed to prohibit the ownership of not more than one percent of the equity of any publicly-held entity engaged in direct competition with the Company, so long as Executive is not otherwise engaged with such entity in any of the other activities specified in Section 5(a)(i) through (iv) above.

(b) Severability of Covenants. For purposes of this Section 5, Executive and the Company intend that the covenants contained in Section 5 shall be construed as separate covenants, one for each activity and each geographic area. If one or more of these covenants are adjudicated to be unenforceable, such unenforceable covenant shall be deemed eliminated from this Section 5 to the extent necessary to permit the remaining separate covenants to be enforced.

(c) Acknowledgment. Executive acknowledges that the covenants made by Executive in this Agreement are intended to protect the legitimate business interests of the Company and not to prevent or interfere with Executive's ability to earn a living.

6. Injunctive Relief; Legal Fees. If Executive violates any of the provisions of Section 4 or 5 hereof (the ***"Applicable Sections"***), the Company shall be entitled to seek and, if awarded by a court or arbitrator, obtain immediate and permanent injunctive relief in addition to all other rights and remedies it may have, it being agreed that a violation of the Applicable Sections would cause the Company irreparable harm, and the damages which the Company would sustain upon such violation are difficult or impossible to ascertain in advance. If the Company takes legal action to enforce the covenants contained in the Applicable Sections, or to enjoin Executive from violating the Applicable Sections, as part of its damages, the prevailing party shall be entitled to recover its reasonable legal costs and expenses for bringing and maintaining any such action from the losing party.

7. No Conflict. Executive represents and warrants to the Company that (a) Executive has not signed any employment agreement, confidentiality agreement, non-competition covenant or the like with any other employer that would conflict with this Agreement and (b) Executive's employment with the Company will not violate any other agreement or arrangement Executive has or may have had with any other former employer. Executive covenants that under no circumstances shall Executive disclose to the Company or use for the benefit of the Company any confidential or proprietary information of any former employer or other third party, and Executive shall hold all such information in confidence, and shall comply with the terms of any and all applicable agreements between Executive and the third party with respect to such information.

8. Termination. Executive and the Company each acknowledge that either party has the right to terminate Executive's employment with the Company at any time for any reason whatsoever, with or without cause, pursuant to the following:

(a) Termination by the Company Without Cause. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice;

(b) Disability. Upon thirty (30) days' written notice to Executive, or at the Company's discretion, pay in lieu of notice, if Executive is prevented from performing Executive's duties by reason of illness or incapacity for a continuous period of 120 days;

(c) Death. Immediately upon the death of Executive; or

(d) Termination by the Company for Cause. Immediately upon a showing of "Cause", which for purposes of this Agreement shall mean Executive's (1) willful gross misconduct or gross or persistent negligence in the discharge of his duties; (2) act of dishonesty or concealment; (3) breach of his fiduciary duty or duty of loyalty to the Company; (4) a material breach of Section 4 or 5 hereof; (5) any other material breach by Executive of this Agreement, which breach has not been cured by Executive within thirty (30) days after written notice of such breach is given to Executive by the Company; (6) commission of repeated acts of substance abuse which are materially injurious to the Company; (7) commission of a criminal offense involving money or other property of the Company (excluding traffic or other similar violations); or (8) commission of a criminal offense that would, if committed in the State of Colorado, constitute a felony under the laws of the State of Colorado or the United States of America.

(e) Voluntary Resignation. Executive may terminate Executive's employment under this Agreement upon thirty (30) days' written notice to the Company. The Company, at its discretion, may waive the thirty (30) day notice requirement, and in such event shall be required to make any payments in lieu of notice.

9. Termination Benefits.

(a) Termination by the Company Without Cause. If Executive is terminated under Section 8(a), and upon execution of a separation agreement containing a

general release of all claims against the Company, the Company shall pay Executive an amount equal to Executive's net Base Salary under Section 3(a) at the time of such termination as follows: (i) If Executive's employment is terminated pursuant to Section 8(a) during the 1st year of employment, Executive shall be paid for a period of three (3) months; (ii) if Executive's employment is terminated pursuant to Section 8(a) after the first year of employment, but prior to the fifth year of employment, Executive shall be paid for a period of six (6) months; and (iii) if Executive's employment is terminated pursuant to Section 8(a) after five years of employment, Executive shall be paid for a period of nine (9) months (each of (i), (ii) or (iii) a ***"Severance Payment"***). The Severance Payment shall be payable in installments, by direct deposit, in accordance with the Company's normal payroll practices. In addition, during any Severance Payment period, should Executive timely elect to continue coverage pursuant to COBRA, the Company agrees to reimburse Executive for the COBRA premiums due to maintain health insurance coverage that is substantially equivalent to that which he received immediately prior to Executive's termination. The Company shall also pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused personal time, (ii) any business expenses incurred but not reimbursed as of the date of termination and (iii) any award under the annual bonus program referred to in Section 3(a) that has been approved by the Chief Executive Officer and the Company's Board of Directors but not paid prior to termination.

(b) Other Termination. In all other cases, the Company's obligation to make payments hereunder shall cease upon such termination, except the Company shall pay Executive (i) any salary earned but unpaid prior to termination and all accrued but unused personal time, (ii) any business expenses incurred but not reimbursed as of the date of termination and (iii) any award under the annual bonus program referred to in Section 3(a) that has been approved by the Chief Executive Officer and the Company's Board of Directors but not paid prior to termination.

(c) Survival of Obligations. Executive's obligations pursuant to Sections 4 and 5 shall survive the expiration of the term of Executive's employment under this Agreement or any early termination thereof.

(d) Returns. Upon termination of Executive's employment under this Agreement, or as otherwise requested by the Company, immediately upon the Company's request, Executive shall return to the Company all of the Company keys, credit cards, product samples, records, data, notes, reports, proposals, lists of existing and proposed customers, correspondence, specifications, drawings, blue-prints, sketches, materials, equipment, other documents or property, together with all copies thereof belonging to the Company, its successors or assigns, and all Confidential Information (in all media) in Executive's possession or under Executive's control.

10. Notices. All notices, reports, records or other communications which are required or permitted to be given to the parties under this Agreement shall be sufficient in all respects if given in writing and delivered in person, by telecopy, by overnight courier, or by registered or certified mail, postage prepaid, return receipt requested, to the receiving party at the address listed on the first page of this Agreement, or to such other address as such party may have given to the other by notice pursuant to this Section 10. In the case of any such communications to the Company, such communications shall also be delivered to the Board of Directors. Notice shall

be deemed given on the date of delivery, in the case of personal delivery or telecopy, or on the delivery or refusal date, as specified on the return receipt, in the case of overnight courier or registered or certified mail.

11. Further Assurances. The parties shall cooperate fully with each other and execute such further instruments, documents and agreements, and shall give such further written assurances, as may be reasonably requested by one another to better evidence and reflect the transactions described herein and contemplated hereby and to carry into effect the intent and purposes of this Agreement. Without limiting the generality of the foregoing, Executive shall cooperate fully in assisting the Company to comply with contractual obligations of the Company to third parties regarding Inventions, Trade Secrets and copyrights.

12. Waiver of Breach. A waiver by the Company of a breach of any provision of this Agreement by Executive shall not operate or be construed as a waiver of any subsequent breach by Executive.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Any action pursuant to Section 4 or 5 above may be brought in the Courts in the State of Colorado, and by execution of this Agreement, Executive irrevocably submits to such jurisdiction.

14. Arbitration.

(a) Any dispute arising in connection with this Agreement or Executive's employment with the Company, except for equitable or injunctive actions pursuant to Section 4 or 5 above, or claims by Executive for workers' compensation, unemployment compensation or benefits under a Company benefits plan, shall be submitted to final and binding arbitration. Judgment upon any award rendered by arbitration may be entered in any court having jurisdiction thereof.

(b) The arbitrator shall be selected by the mutual agreement of the parties. Any arbitrator selected shall be a professional having at least ten years of experience in labor or employment related practice areas. If the amount in dispute exceeds $250,000, the parties shall select, by mutual agreement, a panel of three arbitrators, rather than one arbitrator, to resolve the dispute.

(c) The arbitration shall be conducted in Denver, Colorado (unless the corporate headquarters of the Company shall have been moved to another location, in which case the arbitration shall be conducted in such location). Reasonable discovery shall be permitted as determined by the arbitrator or arbitrators. Both parties to an arbitration shall have the right to be represented by counsel. The attorneys' fees and costs of the arbitrator and arbitration proceedings are to be shared equally between the parties, and all other costs and attorneys' fees are to be paid by the party incurring such costs and fees.

(d) Except as otherwise provided herein, this arbitration procedure is the exclusive remedy for any contractual, non-contractual or statutory claim of any kind, including claims arising under federal, state and local statutory law, including, but not limited to, the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 *et seq.*; Title VII of the Civil Rights

Act of 1964, 42 U.S.C. § 2000e *et seq.*; the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; the Employee Retirement Income Security Act, 29 U.S.C. § 1001 *et seq.*; the Colorado Anti-Discrimination Act of 1957, C.R.S. § 24-34-401 *et seq.*; the Colorado Wage Payment Act, C.R.S. §8-4-100 *et seq.*; and common law or equitable claims alleging breach of contract, defamation, fraud, outrageous conduct, promissory estoppel, violation of public policy, wrongful discharge or any other tort, contract or equitable theory. Executive agrees to exhaust any and all internal dispute resolution procedures established by the Company prior to pursuing arbitration under this Agreement.

15. Severability. If any provision of this Agreement shall be held by any Court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the enforceability of all other provisions of this Agreement shall be unimpaired.

16. Binding Agreement. Executive shall not delegate or assign any of Executive's rights or obligations under this Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by Executive, the Company and the Company's successors and assigns; *provided, however,* that the Company may not assign this Agreement to any other person or entity without the prior written consent of Executive except (a) to AC HoldCo LLC or (b) in connection with a sale, assignment or other transfer by the Company of all or a substantial portion of its assets or business, in each of which events assignment of this Agreement is expressly permitted without the consent of Executive.

17. Merger; Amendment. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and no other statement, representation, warranty or covenant has been made by either party except as expressly set forth herein. This Agreement may be amended at any time, *provided* that such amendment is in writing and is signed by each of the parties.

18. Nature of Employment. EXECUTIVE IS EMPLOYED WITH THE COMPANY FOR NO SPECIFIC TERM OF EMPLOYMENT, AND IS EMPLOYED AT THE WILL OF THE COMPANY. NOTHING IN THIS AGREEMENT SHALL IN ANY WAY RESTRICT EXECUTIVE'S RIGHT OR THE RIGHT OF THE COMPANY TO TERMINATE EXECUTIVE'S EMPLOYMENT AT ANY TIME, FOR ANY REASON OR FOR NO REASON, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT NOTICE.

19. Definitions. In addition to terms defined above and elsewhere in this Agreement, the following terms shall have the meanings set forth below:

"Affiliate" means (i) any parent or subsidiary of the Company and (ii) any person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Company. For purposes of this definition, the terms "controls," "is controlled by" or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

"Air-to-Ground Communication" means (i) data and/or voice communications directly or indirectly between an aircraft and the ground, including communications between an aircraft

and the ground transmitted in whole or in part by satellite, (ii) data and/or voice communications within an aircraft, including all communications to or from the cabin and/or the cockpit of an aircraft, (iii) any and all related products and services and (iv) any and all products and services directly supportive thereof. For the avoidance of doubt, Air-to-Ground Communications does not include communications by satellite that does not involve communication to or from an aircraft.

"Closing Date" means the closing date of the acquisition of the Company by AC HoldCo.

"Competitive Business" means any business engaged in (i) providing Air-to-Ground Communications, (ii) assembling, manufacturing, installing or selling equipment involved in or relating to Air-to-Ground Communications or (iii) any other business or activities that are substantially in competition with any other businesses in which the Company or any of its Affiliates engages in during Executive's employment or is actively contemplating entering into during Executive's employment.

"Confidential Information" means all information relating to the Company, its Affiliates and their respective customers and suppliers considered by the Company or its Affiliates to be confidential and proprietary including, without limitation, (a) business plans, research, development and marketing strategies, customer names and lists, product and service prices and lines, processes, designs, formulae, methods, financial information, costs and supplies and (b) the Trade Secrets (as defined below). Confidential Information may include information which has been acquired or created by Executive or has otherwise become known to Executive through Executive's employment with Company. Confidential Information may also include information belonging to the Company's clients, customers or suppliers. "Confidential Information" shall not include the foregoing that is or becomes (i) in the public domain other than through acts by Executive, (ii) already lawfully in Executive's possession at the time of disclosure by the Company as evidenced by Executive's written records, (iii) disclosed to Executive by a third party who is not prohibited from disclosing the information pursuant to any fiduciary, contractual or other duty to any person or (iv) required by law, rule, regulation or court order to be disclosed.

"Effective Date" means July 1, 2006.

"Existing Proprietary Rights" means all inventions, original works of authorship, developments, improvements and trade secrets that Executive has, alone or jointly with others, made, conceived, developed or reduced to practice or caused to be made, conceived, developed or reduced to practice prior to the Effective Date, whether or not patentable or registrable under patent, copyright or similar statutes, a list of which is attached to the Original Agreement as **Exhibit A.**

"Inventions" means discoveries, concepts, ideas, methods, formulae, techniques, developments, know-how, inventions and improvements, whether or not patentable or registrable under patent, copyright or similar statutes, conceived of or made by Executive at any time, whether before, during or after business hours, or with the use of the Company's facilities, materials or personnel, either solely or jointly with others after the Effective Date and during Executive's employment by the Company and if based on or related to the Company's business, including, without limitation, existing and planned products and services and future products and services of the Company and its Affiliates.

"Trade Secrets" means any and all technology and information relating to the Company's and its Affiliates' business or their respective patents, methods, formulae, software, know-how, designs, products, processes, services, research development, inventions, systems, engineering and manufacturing which have been designated as secret or confidential or are the subject of efforts that are reasonable under the circumstances to maintain their secrecy or confidentiality and which are sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons.

The parties have executed this Agreement on the date first above written, effective as of the Effective Date.

COMPANY:

AIRCELL INC.

By: /s/ Todd Londa

Name: Todd Londa

Title: Chief Financial Officer

EXECUTIVE:

/s/ Anand K. Chari

Anand K. Chari

Exhibit 10.2.7

AMENDMENT NUMBER ONE TO
EMPLOYMENT AGREEMENT

WHEREAS, AirCell LLC (the "Company") and Anand K. Chari (the "Executive") have heretofore entered into an Employment Agreement dated as of July 12, 2006 (the "Agreement"); and

WHEREAS, the Company and the Executive desire to amend the Agreement to comply with final regulations issued under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, pursuant to Section 17 of the Agreement, the Agreement is hereby amended as follows, effective as of January 1, 2009:

1. Section 3(a) of the Agreement is hereby amended by deleting the second sentence thereof, and inserting the following sentence in its place:

In addition, Executive shall be eligible for an annual bonus with a target of thirty percent (30%) and a maximum payout of sixty percent (60%) of Base Salary under an annual bonus program that shall be administered by the Board of Directors, pursuant to which the annual bonus payable with respect to any fiscal year shall be paid within the 2 1/2-month period beginning on the first day after the end of such fiscal year.

2. Section 9(a) of the Agreement is hereby amended by inserting the phrase ", not later than 45 days after the date of such termination," immediately after the phrase "upon execution of a separation agreement," where it appears in the first sentence thereof.

3. The Agreement is hereby amended by renumbering Sections 15 through 19, and all references thereto, as Sections 16 through 20, respectively, and by adding the following new Section 15, to read as follows:

15. **Section 409A**. This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A¬1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4). In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by the Company under any applicable expense reimbursement policy, and shall be paid to Executive promptly following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer and the Executive has executed this instrument as of this 22nd day of December, 2008.

AirCell LLC

By: /s/Anand K. Chari

Anand K. Chari

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

I. INTRODUCTION

1.1 Purposes. The purposes of the Stock Option Plan (this "Plan") of Aircell Holdings Inc., a Delaware corporation (the "Company"), are (i) to align the interests of the Company's shareholders and the recipients of options under this Plan by providing a means to increase the proprietary interest of such recipients in the Company's growth and success, (ii) to advance the interests of the Company by increasing its ability to attract and retain highly competent officers, other employees, directors, consultants, agents and independent contractors and (iii) to motivate such persons to act in the long-term best interests of the Company and its shareholders.

1.2 Certain Definitions.

"Affiliate" or **"Affiliates"** shall have the meaning set forth in Section 1.4.

"Agreement" shall mean the written agreement evidencing an option grant to an optionee under this Plan between the Company and the optionee.

"Board" shall mean the Board of Directors of the Company.

"Cause" with respect to an optionee, shall mean (i) the optionee's refusal to perform or disregard of the optionee's duties or responsibilities, or of specific directives of the officer or other executive of the Company to whom the optionee reports; (ii) the optionee's willful, reckless or negligent commission of act(s) or omission(s) which have resulted in or are likely to result in, a loss to, or damage to the reputation of, the Company or any of its affiliates, or that compromise the safety of any employee or other person; (iii) the optionee's act of fraud, embezzlement or theft in connection with the optionee's duties to the Company or in the course of his or her employment, or the optionee's commission of a felony or any crime involving dishonesty or moral turpitude; (iv) the optionee's material violation of the Company's policies or standards or of any statutory or common law duty of loyalty to the Company; or (v) any material breach by the optionee of any one or more noncompetition, nonsolicitation, confidentiality or other restrictive covenants to which the optionee is subject.

"Change in Control" shall mean:

(i) the acquisition by any person, entity or "group" (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding equity interests in the Company or the combined voting power of the Company's then outstanding voting securities, excluding acquisitions by (A) any members of the Ripplewood Investment Group, as defined in the Stockholders' Agreement, (B) any of the Thorne Affiliates, as defined in the Stockholders' Agreement or (C) any other person or entity that was a stockholder of the Company as of the date on which this Plan was initially approved by the Board (the "Excluded Parties"); or

(ii) the consummation of a reorganization, merger or consolidation of the Company or the sale of all or substantially all of the assets of the Company, in each case with respect to which the Excluded Parties or any other persons who held equity interests in the Company immediately prior to such reorganization, merger, consolidation or sale do not immediately thereafter own, directly or indirectly, 50% or more of the combined voting power of the then outstanding securities of the surviving or resulting corporation or other entity; provided, however, that any such transaction consummated in connection with, or for the purpose of facilitating, an IPO shall not constitute a Change in Control hereunder.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the Compensation Committee of the Board, or such other committee as may be appointed by the Board to administer the Plan.

"Common Stock" shall mean the common stock, $0.0001 par value, of the Company.

"Company" shall have the meaning set forth in Section 1.1.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall mean, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sale is reported) as quoted on such exchange or system for the last market trading day prior to the time of determination, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable.

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for the Common Stock on the last market trading day prior to the day of determination.

(iii) If the Common Stock is not listed on an established stock exchange or national market system, its Fair Market Value shall be determined in good faith by the Committee pursuant to a reasonable valuation method in accordance with Section 409A of the Code, including without limitation by reliance on an independent appraisal completed within the preceding 12 months.

"Incentive Stock Option" shall mean an option to purchase shares of Common Stock that meets the requirements of Section 422 of the Code, or any successor provision, which is intended by the Committee to constitute an Incentive Stock Option.

"IPO" shall mean an initial public offering of Common Stock pursuant to an effective registration statement under the Securities Act of 1933, as amended.

"Non-Statutory Stock Option" shall mean an option to purchase shares of Common Stock which is not an Incentive Stock Option.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Stockholders' Agreement" shall mean the Stockholders' Agreement dated as of December 31, 2009 between AC Holdco Inc. and the parties thereto, as amended from time to time.

"Tax Date" shall have the meaning set forth in Section 4.5.

"Ten Percent Holder" shall have the meaning set forth in Section 2.1(a).

1.3 Administration. This Plan shall be administered by the Committee. Options to purchase shares of Common Stock in the form of Incentive Stock Options or Non-Statutory Stock Options may be made under this Plan to eligible persons. The Committee shall, subject to the terms of this Plan, select eligible persons to be granted options under this Plan and determine the number of shares of Common Stock subject to such option, the exercise price associated with the option, the time and conditions of exercise of the option and all other terms and conditions of the option, including, without limitation, the form of the Agreement evidencing the option. The Committee may, in its sole discretion and for any reason at any time, take action such that any or all outstanding options shall become exercisable in part or in full. The Committee shall, subject to the terms of this Plan, interpret this Plan and the application thereof, establish rules and regulations it deems necessary or desirable for the administration of this Plan and may impose, incidental to the grant of an option, conditions with respect to the option, such as limiting competitive employment or other activities. All such interpretations, rules, regulations and conditions shall be final, binding and conclusive.

The Committee may delegate some or all of its power and authority hereunder to the Board, the President and Chief Executive Officer or such other executive officer of the Company as the Committee deems appropriate.

No member of the Board or Committee, and none of the President and Chief Executive Officer or any other executive officer to whom the Committee delegates any of its power and authority hereunder, shall be liable for any act, omission, interpretation, construction or determination made in connection with this Plan in good faith, and the members of the Board and the Committee and the President and Chief Executive Officer or other executive officer shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including attorneys' fees) arising therefrom to the full extent permitted by law, except as otherwise may be provided in the Company's Certificate of Incorporation and/or By-laws, and under any directors' and officers' liability insurance that may be in effect from time to time.

1.4 Eligibility. Participants in this Plan shall consist of such officers and other employees, persons expected to become officers and other employees, directors, consultants,

independent contractors and agents of the Company and its subsidiaries from time to time (individually an "Affiliate" and collectively the "Affiliates") as the Committee in its sole discretion may select from time to time. For purposes of this Plan, references to employment shall also mean an agency or independent contractor relationship and references to employment by the Company shall also mean employment by an Affiliate. The Committee's selection of a person to participate in this Plan at any time shall not require the Committee to select such person to participate in this Plan at any other time.

1.5 Shares Available. Subject to adjustment as provided in Section 4.7, an aggregate of 25,477 shares of Common Stock shall be available for grants of options under this Plan, reduced by the aggregate number of shares of Common Stock which become subject to outstanding options under the Plan. To the extent that shares of Common Stock subject to an outstanding option are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such option, then such shares of Common Stock shall again be available under this Plan.

Shares of Common Stock shall be made available from authorized and unissued shares of Common Stock, or authorized and issued shares of Common Stock reacquired and held as treasury shares or otherwise or a combination thereof.

II. STOCK OPTIONS

2.1 Grants of Stock Options. The Committee may, in its discretion, grant options to purchase shares of Common Stock to such eligible persons as may be selected by the Committee. Each option, or portion thereof, that is not an Incentive Stock Option shall be a Non-Statutory Stock Option. An Incentive Stock Option may not be granted to any person who is not an employee of the Company or any parent or subsidiary (as defined in Section 424 of the Code). Each Incentive Stock Option shall be granted within ten years of the date this Plan is adopted by the Board. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of shares of Common Stock with respect to which options designated as Incentive Stock Options are exercisable for the first time by a participant during any calendar year (under this Plan or any other plan of the Company or any parent or subsidiary as defined in Section 424 of the Code) exceeds the amount (currently $100,000) established by the Code, such options shall constitute Non-Statutory Stock Options.

Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) Number of Shares and Purchase Price. The number of shares of Common Stock subject to an option and the purchase price per share of Common Stock purchasable upon exercise of the option shall be determined by the Committee; provided, however, that the purchase price per share of Common Stock purchasable upon exercise of an option shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such option; provided further, that if an Incentive Stock Option shall be granted to any person who, at the time such option is granted, owns

capital stock possessing more than ten percent of the total combined voting power of all classes of capital stock of the Company (or of any parent or subsidiary as defined in Section 424 of the Code) (a "Ten Percent Holder"), the purchase price per share of Common Stock shall be the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option.

(b) Exercise Period and Exercisability. The period during which an option may be exercised shall be determined by the Committee; provided, however, that no option shall be exercised later than ten years after its date of grant; and provided further, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such option shall not be exercised later than five years after its date of grant. The Committee shall determine whether an option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. The Committee may require that an exercisable option, or portion thereof, be exercised only with respect to whole shares of Common Stock.

(c) Method of Exercise. An option may be exercised (i) by giving written notice to the Company specifying the number of shares of Common Stock to be purchased and by accompanying such notice with a payment therefor in full (or by arranging for such payment to the Company's satisfaction) and (ii) by executing such documents as the Company may reasonably request. If shares of Common Stock are not listed on an established stock exchange or national market system at the time an option is exercised, then the optionholder shall pay the exercise price of such option in cash. If shares of Common Stock are listed on an established stock exchange or national market system at the time an option is exercised, then the optionholder may pay the exercise price of such option either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, provided that the Committee determines that such withholding of shares does not cause the Company to recognize an increased compensation expense under applicable accounting principles, (D) in cash by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) a combination of (A), (B), (C) and (D), in each case to the extent set forth in the Agreement relating to the option. The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (B) through (E). Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by the optionee. No certificate representing Common Stock shall be delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 4.5, have been paid (or arrangement made for such payment to the Company's satisfaction).

2.2 Termination of Employment or Service. Subject to the requirements of the Code, all of the terms relating to the exercise, cancellation or other disposition of an option upon a termination of employment with or service to the Company of the recipient of such option, whether due to disability, death or under any other circumstances, shall be determined by the Committee.

III. GENERAL

3.1 Effective Date and Term of Plan. This Plan shall be submitted to the shareholders of the Company for approval within 12 months before or after its adoption by the Board and, if approved, shall become effective as of the date of such adoption by the Board. No option granted after the adoption of the Plan by the Board may be exercised prior to the date of such shareholder approval. This Plan shall terminate 10 years after its effective date, unless terminated earlier by the Board. Termination of this Plan shall not affect the terms or conditions of any option granted prior to such termination.

3.2 Amendments. The Board may amend this Plan as it shall deem advisable, subject to any requirement of shareholder approval required by applicable law, rule or regulation, including Section 422 of the Code; provided, however, that no amendment shall be made without shareholder approval if such amendment would (a) increase the maximum number of shares of Common Stock available under this Plan (subject to Section 3.7), (b) effect any change inconsistent with Section 422 of the Code or (c) extend the term of this Plan.

3.3 Agreement. Each option granted hereunder shall be subject to the terms of an Agreement executed by the Company and the optionee of such option and such option shall be effective as of the date set forth in the Agreement. The Agreement evidencing an option granted hereunder may authorize the Company to repurchase any shares of Common Stock issued under the Plan to the optionee (or to any other person) pursuant to the terms and conditions set forth in such agreement.

3.4 Non-Transferability of Options. Unless the Committee provides for the transferability of a particular option and such transferability is specified in the Agreement relating to such option, no option shall be transferable other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures stated in Section 3.11 or otherwise approved by the Company. Except to the extent permitted by the foregoing sentence or the Agreement relating to the option, each option may be exercised or settled during the optionee's lifetime only by the optionee or the optionee's legal representative or similar person. Except to the extent permitted by the second preceding sentence or the Agreement relating to the option, no option may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any such option, such option and all rights thereunder shall immediately become null and void.

3.5 Tax Withholding. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock pursuant to an option granted hereunder, payment by the optionee in cash of any federal, state, local or other taxes which may be required to be withheld or paid in connection with such option. An Agreement may provide that if shares of Common Stock are listed on an established stock exchange or national market system at the

time an option is exercised, the Company may allow the optionee to satisfy any such obligation by any of the following means: (A) a cash payment to the Company, (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes arises in connection with such option (the "Tax Date"), equal to the amount necessary to satisfy any such obligation, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered to the optionee, having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (D) a cash payment by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) any combination of (A), (B), (C) and (D); provided, however, that the Company shall have sole discretion to disapprove of an election pursuant to any of clauses (B) through (E). Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate. Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the optionee.

3.6 Restrictions on Shares. Each option granted hereunder shall be subject to the requirement that if at any time the Company determines that the listing, registration or qualification of the shares of Common Stock subject to such option upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the exercise of such option or the delivery of shares thereunder, such option shall not be exercised and such shares shall not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Committee may provide for such restrictions upon the transferability of shares of Common Stock delivered pursuant to any option granted hereunder as it deems appropriate and such restrictions shall be specified in the Agreement relating to such option or in a shareholder agreement among the stockholders of the Company. The Company may require that certificates evidencing shares of Common Stock delivered pursuant to any option granted hereunder bear a legend indicating that the sale, transfer or other disposition thereof by the optionee is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder and such other restrictions, if any, specified in the Agreement relating to the option pursuant to which such shares were delivered.

3.7 Adjustment. In the event of any stock split, reverse stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any extraordinary distribution to holders of Common Stock, the number and class of securities available under this Plan, the number and class of securities subject to each outstanding option and the purchase price per security shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options without an increase in the aggregate purchase price. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive. To the extent the Company issues only whole shares of Common Stock at the time of an adjustment pursuant to this Section, and such adjustment would result in a fractional security being (a) available under this Plan, such fractional security shall be disregarded, or (b) subject to an option under this Plan, the Company shall pay the optionee of such option, in connection with the first

exercise of such option in whole or in part occurring after such adjustment, an amount in cash determined by multiplying (i) the fraction of such security (rounded to the nearest hundredth) by (ii) the excess, if any, of (A) the Fair Market Value on the exercise date over (B) the exercise price of such option.

3.8 **Change in Control.** As set forth in the applicable option Agreement, the Board may provide that upon a Change in Control:

(a) some or all outstanding options shall become exercisable in full or in part, either upon the consummation of the Change in Control or upon a termination of employment following the Change in Control;

(b) the option may be assumed, or a substantially equivalent option may be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), with an appropriate and equitable adjustment to the number of shares subject to such option and the exercise price per share subject to such option, as determined by the Board in accordance with Section 3.7 and Section 409A of the Code; and/or

(c) the option shall be surrendered to the Company and shall be immediately cancelled by the Company, and the optionee shall receive a cash payment from the Company in an amount equal to the number of shares of Common Stock then subject to such option, whether or not vested and exercisable, multiplied by the excess, if any, of the greater of (A) the highest per share price offered to holders of Common Stock in any transaction whereby the Change in Control takes place or (B) the Fair Market Value of a share of Common Stock on the date of occurrence of the Change in Control, over the exercise price per share of Common Stock subject to the option.

3.9 No Right of Participation or Employment. No person shall have any right to participate in this Plan. Neither this Plan nor any option grant made hereunder shall confer upon any person any right to continued employment by the Company or any Affiliate of the Company or affect in any manner the right of the Company or any Affiliate of the Company to terminate the employment of any person at any time without liability hereunder.

3.10 Rights as Shareholder. No person shall have any right as a shareholder of the Company with respect to any shares of Common Stock or other equity security of the Company which is subject to an option hereunder unless and until such person becomes a shareholder of record with respect to such shares of Common Stock or equity security.

3.11 Designation of Beneficiary. If permitted by the Company, an optionee may file with the Committee a written designation of one or more persons as such optionee's beneficiary or beneficiaries (both primary and contingent) in the event of the optionee's death. To the extent an outstanding option granted hereunder is exercisable, such beneficiary or beneficiaries shall be entitled to exercise such option. Each beneficiary designation shall become effective only when filed in writing with the Committee during the optionee's lifetime on a form prescribed by the Committee. The spouse of a married optionee domiciled in a community property jurisdiction shall join in any designation of a beneficiary other than such spouse. The filing with the Committee of a new beneficiary designation shall cancel all previously filed beneficiary

designations. If an optionee fails to designate a beneficiary, or if all designated beneficiaries of an optionee predecease the optionee, then each outstanding option hereunder held by such optionee, to the extent exercisable, may be exercised by such optionee's executor, administrator, legal representative or similar person.

3.12 Compliance With Section 409A of Code. This Plan and each option granted under the Plan is intended to be exempt from the provisions of section 409A of the Code, and shall be interpreted and construed accordingly. The Committee shall have the discretion and authority to amend the Plan or any option Agreement at any time to satisfy any requirements for exemption from or compliance with section 409A of the Code or guidance provided by the U.S. Treasury Department to the extent applicable to the Plan or any such option.

3.13 Governing Law. This Plan, each option hereunder and the related Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

Exhibit 10.3.2

AMENDMENT NO. 1 TO
AIRCELL HOLDINGS INC. STOCK OPTION PLAN

AMENDMENT No. 1 (this "Amendment"), dated as of September 29, 2010, to the Stock Option Plan (the "Plan") of Aircell Holdings Inc., a Delaware corporation (the "Company"), effective as of June 2, 2010. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Plan.

WITNESSETH:

WHEREAS, the Board of Directors of the Company wishes to amend the Plan to increase the number of shares of Common Stock available for grant thereunder and has approved resolutions authorizing such amendment subject to approval of the Company's stockholders; and

WHEREAS, pursuant to and in accordance with Section 3.2 of the Plan, the requisite stockholders have executed written consents authorizing this Amendment.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

Section 1. Amendment. Section 1.5 of the Plan is hereby amended by replacing the number "25,477" in the second line thereof with the number "27,477".

Section 2. No Other Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Plan, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed as of the date first written above by its respective officers thereunto duly authorized.

AIRCELL HOLDINGS INC.

By: /s/ Michael J. Small
Michael J. Small
Title: President and CEO

Exhibit 10.3.3

AMENDMENT NO. 2 TO
AIRCELL HOLDINGS INC. STOCK OPTION PLAN

AMENDMENT No. 2 (this "Amendment"), dated as of December 14, 2011, to the Stock Option Plan (as heretofore amended by Amendment No. 1 thereto, the "Plan") of Aircell Holdings Inc., a Delaware corporation (the "Company"), effective as of June 2, 2010. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Plan.

WITNESSETH:

WHEREAS, the Board of Directors of the Company wishes to amend the Plan to increase the number of shares of Common Stock available for grant thereunder and has approved resolutions authorizing such amendment subject to approval of the Company's stockholders; and

WHEREAS, pursuant to and in accordance with Section 3.2 of the Plan, the requisite stockholders have executed written consents authorizing this Amendment.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

Section 1. Amendment. Section 1.5 of the Plan is hereby amended by replacing the number "27,477" in the second line thereof with the number "41,925".

Section 2. No Other Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Plan, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed as of the date first written above by its respective officers thereunto duly authorized.

GOGO INC. (f/k/a Aircell Holdings Inc.)

By: /s/ Michael J. Small
Name: Michael J. Small
Title: President and CEO

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

AWARD NOTICE

[employee]
[Address]
[address]

You have been granted an option to purchase shares of common stock, $0.0001 par value, of Gogo Inc. (f/k/a Aircell Holdings Inc.) (the "Company"), pursuant to the terms and conditions of the Aircell Holdings Inc. Stock Option Plan (the "Plan") and the Stock Option Agreement (together with this Award Notice, the "Agreement"). Copies of the Plan and the Stock Option Agreement are attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Option:	You have been awarded a Non-Statutory Stock Option to purchase from the Company [ ] shares of its common stock, $0.0001 par value, subject to adjustment as provided in Section 3.4 of the Agreement (the "Option Shares").
Grant Date:	[insert grant date]
Exercise Price:	$[ ] per share, subject to adjustment as provided in Section 3.4 of the Agreement.
Vesting Schedule:	The Option shall vest and become exercisable [insert vesting schedule], provided you remain continuously employed by the Company or one of its Affiliates through such date.

Expiration Date: Except to the extent earlier terminated pursuant to Section 2.2 of the Agreement or earlier exercised pursuant to Section 2.3 of the Agreement, the Option shall terminate at 5:00 p.m., Central time, on the tenth anniversary of the Grant Date.

Gogo Inc.

By: _____
Name:
Title:

Acknowledgment, Acceptance and Agreement:

By signing below and returning this Award Notice to Gogo Inc. at the address stated herein, I hereby acknowledge receipt of the Agreement and the Plan, accept the Option granted to me and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

_____
[employee name]

_____
Date

GOGO INC.
1250 N. ARLINGTON HEIGHTS ROAD, SUITE 500
ITASCA, ILLINOIS 60143
ATTENTION: GENERAL COUNSEL

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

STOCK OPTION AGREEMENT

Aircell Holdings Inc., a Delaware corporation (the "Company"), hereby grants to the individual ("Optionee") named in the award notice attached hereto (the "Award Notice") as of the date set forth in the Award Notice (the "Option Date"), pursuant to the provisions of the Aircell Holdings Inc. Stock Option Plan (the "Plan"), an option to purchase from the Company the number of shares of common stock, $0.0001 par value ("Common Stock"), set forth in the Award Notice at the price per share set forth in the Award Notice (the "Exercise Price") (the "Option"), upon and subject to the terms and conditions set forth below, in the Award Notice and in the Plan. Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Option Subject to Acceptance of Agreement. The Option shall be null and void unless Optionee shall accept this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company.

2. Time and Manner of Exercise of Option.

2.1. Maximum Term of Option. In no event may the Option be exercised, in whole or in part, after the expiration date set forth in the Award Notice (the "Expiration Date").

2.2. Vesting and Exercise of Option. The Option shall become vested and exercisable in accordance with the vesting schedule set forth in the Award Notice (the "Vesting Schedule"), subject to Section 3.5 of this Agreement. The Option shall be vested and exercisable following a termination of employment by Optionee according to the following terms and conditions:

(a) Death or Disability. If Optionee's employment with the Company terminates due to death or Disability, the Option shall be vested only to the extent it is vested on the date of Optionee's death or the effective date of Optionee's termination of employment due to Disability, as the case may be, and may thereafter be exercised by Optionee or Optionee's executor, administrator, legal representative, guardian or similar person until and including the earlier to occur of (i) the date which is one year after the date of Optionee's death or the effective date of Optionee's termination of employment due to Disability, as the case may be, and (ii) the Expiration Date. For purposes of this Agreement, "Disability" shall mean a permanent and total disability, within the meaning of Section 22(e) of the Code.

(b) Cause. If Optionee's employment with the Company is terminated by the Company for Cause, the Option, whether or not vested, shall terminate immediately upon such termination of employment.

(c) Other Reasons. If Optionee's employment with the Company is terminated due to circumstances other than as set forth in Sections 2.2(a) and (b), the Option shall be vested only to the extent it is vested on the effective date of Optionee's termination of employment and may thereafter be exercised by Optionee until and including the earliest to occur of (i) the date which is 90 days after the effective date of

Optionee's termination of employment, (ii) the date Optionee breaches an employment, noncompetition, nonsolicitation, confidentiality, inventions or similar agreement between the Company and Optionee (an "Employment Agreement") and (iii) the Expiration Date.[1]

(d) Death Following Termination. If Optionee dies during the period set forth in Section 2.2(a) or Section 2.2(c), the Option shall be vested only to the extent it is vested on the date of death and may thereafter be exercised by Optionee's executor, administrator, legal representative, guardian or similar person until and including the earlier to occur of (i) the date which is one year after the date of death and (ii) the Expiration Date.

2.3. Method of Exercise. Subject to the limitations set forth in this Agreement, the Option may be exercised by Optionee (a) by delivering to the Company a written notice in the form attached hereto as Exhibit A, or in such other form as may be required by the Committee, specifying the number of shares of Common Stock to be purchased and by accompanying such notice with a payment therefor in full (or by arranging for such payment to the Company's satisfaction) and (b) by executing such documents as the Company may reasonably request, including the Investment Representation Statement attached hereto as Exhibit B. If shares of Common Stock are not listed on an established stock exchange or national market system at the time an option is exercised, then the Optionee shall pay the exercise price of the Option in cash. If shares of Common Stock are listed on an established stock exchange or national market system at the time an option is exercised, then the Optionee may pay the exercise price of the Option either (i) in cash, (ii) by delivery to the Company (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable pursuant to the Option by reason of such exercise, (iii) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, provided that the Committee determines that such withholding of shares does not cause the Company to recognize an increased compensation expense under applicable accounting principles, (iv) in cash by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (v) by a combination of (i), (ii), (iii) and (iv). The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (ii) through (v). Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by Optionee. No certificate representing a share of Common Stock shall be issued or delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 3.3, have been paid. If shares of Common Stock have not been registered under the Securities Act at the time the Option

[1] The option agreement for Mr. ElDifrawi's October 25, 2010 grant replaces Section 2.2(c) with the following: "Termination without Cause or Resignation for Good Reason. If Optionee's employment with the Company is terminated by the Company without Cause pursuant to Section 8(a) of the Employment Agreement or the Optionee resigns for Good Reason pursuant to Section 8(f) of the Employment Agreement, the Option shall be vested only to the extent it is vested on the date on which the Severance Period expires, and may thereafter be exercised by Optionee until and including the earliest to occur of (i) the date which is 90 days after the expiration of the Severance Period, (ii) the date Optionee materially breaches the Employment Agreement or any other employment, noncompetition, nonsolicitation, confidentiality, inventions or similar agreement between the Company and Optionee and (iii) the Expiration Date.

is exercised, Optionee shall, if required by the Company, concurrently with the exercise of all or a portion of the Option, deliver to the Company an executed investment representation statement in such form as may be required by the Company.

2.4. Termination of Option. In no event may the Option be exercised after it terminates as set forth in this Section 2.4. The Option shall terminate, to the extent not earlier terminated pursuant to Section 2.2 or exercised pursuant to Section 2.3, on the Expiration Date. Upon the termination of the Option, the Option and all rights hereunder shall immediately become null and void. Notwithstanding the foregoing, however, if Optionee breaches a covenant set forth in an Employment Agreement at any time, the Option shall terminate automatically upon such breach.

3. Additional Terms and Conditions of Option.

3.1. Nontransferability of Option. The Option may not be transferred by Optionee other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries in the form attached hereto as Exhibit C, or in such other form as may be required by the Committee. Except to the extent permitted by the foregoing sentence, (i) during Optionee's lifetime the Option is exercisable only by Optionee or Optionee's legal representative, guardian or similar person and (ii) the Option may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Option, the Option and all rights hereunder shall immediately become null and void.

3.2. Investment Representation. The Optionee hereby represents and covenants that (a) any shares of Common Stock purchased upon exercise of the Option will be purchased for investment and not with a view to the distribution thereof within the meaning of the Securities Act unless such purchase has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, Optionee shall submit a written statement, in the form attached hereto as Exhibit B, or in such other form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of any purchase of any shares hereunder or (y) is true and correct as of the date of any sale of any such shares, as applicable. As a further condition precedent to any exercise of the Option, Optionee shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

3.3. Withholding Taxes. (a) As a condition precedent to the issuance of Common Stock upon exercise of the Option, Optionee shall, upon request by the Company, pay to the Company in cash, in addition to the purchase price of the shares, such amount as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to such exercise of the Option. If Optionee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Optionee.

(b) If shares of Common Stock are listed on an established stock exchange or national market system at the time the Option is exercised, the Optionee may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (1) a cash payment to the Company, (2) delivery to the Company (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes arises in connection with the Option (the "Tax Date"), equal to the Required Tax Payments, (3) authorizing the Company to withhold whole shares of Common Stock which would otherwise be issued to Optionee upon exercise of the Option having an aggregate Fair Market Value, determined as of the Tax Date, equal to the Required Tax Payments, (4) a cash payment by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (5) any combination of (1), (2), (3) and (4). The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (2) through (5). Shares of Common Stock to be delivered or withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Optionee.

(c) No certificate representing a share of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

3.4. Adjustment. In the event of any stock split, reverse stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any extraordinary distribution to holders of Common Stock, the number and class of securities subject to the Option and the Exercise Price shall be appropriately adjusted by the Committee, such adjustment to be made without an increase in the aggregate purchase price. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive. To the extent the Company issues only whole shares of Common Stock at the time of an adjustment pursuant to this Section, and such adjustment would result in a fractional security being subject to the Option, the Company shall pay Optionee, in connection with the first exercise occurring after such adjustment, an amount in cash determined by multiplying (i) the fraction of such security (rounded to the nearest hundredth) by (ii) the excess, if any, of (A) the Fair Market Value on such date over (B) the Exercise Price of the Option.

3.5. Change in Control. (a) Subject to Section 3.5(b), in the event of a Change in Control pursuant to which shares of Common Stock are exchanged solely for securities of another corporation or other entity, the Option shall be assumed, or a substantially equivalent Option shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), with an appropriate and equitable adjustment to the number of shares subject to such option and the exercise price per share subject to such option, as determined by the Board in accordance with Section 3.4 and Section 409A of the Code**[**; provided that if the Company or any successor employer terminates the Optionee's employment without Cause or the Optionee's employment terminates due to death or Disability at any time after such Change in Control, the Option shall become immediately vested and exercisable as of the date of termination or death, and shall remain exercisable in accordance with Section 2.2 of the Agreement]**[2]**.

[2] Bracketed language removed from Mr. Small's 2010 option agreement.

(b) In the event that either (i) the acquiring or succeeding corporation or other entity in the Change in Control (or an affiliate thereof) does not agree to assume or substitute for the Option pursuant to Section 3.5(a) or (ii) pursuant to the Change in Control shares of Common Stock are exchanged solely for cash, then the Option shall be surrendered to the Company and be immediately cancelled by the Company, and the Optionee shall receive a cash payment from the Company in an amount equal to the number of shares of Common Stock then subject to the Option, whether or not vested and exercisable, multiplied by the excess, if any, of the greater of (A) the highest per share price payable to holders of Common Stock in any transaction whereby the Change in Control takes place or (B) the Fair Market Value of a share of Common Stock on the date of the occurrence of the Change in Control, over the Exercise Price.

(c) In the event of a Change in Control pursuant to which shares of Common Stock are exchanged for a combination of (i) the securities of another corporation or other entity and (ii) cash or property other than the securities of another corporation or other entity, then the Board, as constituted prior to such Change in Control, may determine in its sole discretion that some or all of the Option shall be assumed or substituted in accordance with Section 3.5(a), and any remaining portion of the Option shall be surrendered and cancelled in exchange for a cash payment in accordance with Section 3.5(b).

[(d) Upon the occurrence of a Change in Control (other than an IPO), the Option shall become immediately vested and exercisable.**]**[3]

3.6. Compliance with Applicable Law. The Option is subject to the condition that if the listing, registration or qualification of the shares subject to the Option upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the purchase or issuance of shares hereunder, the Option may not be exercised, in whole or in part, and such shares may not be issued, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

3.7. Issuance or Delivery of Shares. Upon the exercise of the Option, in whole or in part, the Company shall issue or deliver, subject to the conditions of this Article 3, the number of shares of Common Stock purchased against full payment therefor. Such issuance shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance, except as otherwise provided in Section 3.3.

[3] Bracketed language included only in Mr. Small's 2010 option agreement and removed from all other option agreements.

3.8. Option Confers No Rights as Shareholder. The Optionee shall not be entitled to any privileges of ownership with respect to shares of Common Stock subject to the Option unless and until such shares are purchased and issued upon the exercise of the Option, in whole or in part, and Optionee becomes a shareholder of record with respect to such issued shares. The Optionee shall not be considered a shareholder of the Company with respect to any such shares not so purchased and issued. As a condition to the exercise of the Option, Optionee shall execute and become a party to, and be subject to all of the terms and conditions of, any shareholder agreement entered into among the Company and its shareholders (the "Shareholder Agreement"), with respect to any shares of Common Stock purchased and issued upon exercise of the Option.

3.9. Option Confers No Rights to Continued Employment. In no event shall the granting of the Option or its acceptance by Optionee, or any provision of this Agreement or the Plan, give or be deemed to give Optionee any right to continued employment by the Company or any affiliate of the Company.

3.10. Designation of Option. If designated in the Award Notice as an Incentive Stock Option, this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. To the extent the Option is exercised pursuant to its terms after the period set forth in Section 422(a) of the Code or exceeds the limitation set forth in Section 422(d) of the Code (currently $100,000) or otherwise does not meet the requirements for an incentive stock option under Section 422 of the Code, the Option shall not be treated as an incentive stock option under Section 422.

3.11. Initial Public Offering. The Optionee hereby agrees that in the event of an IPO, Optionee shall not offer, sell, contract to sell, pledge, hypothecate, grant any option to purchase or make any short sale of, or otherwise dispose of any shares of stock of the Company or any rights to acquire stock of the Company for such period of time from and after the effective date of such registration statement as may be established by the underwriter for such IPO. The foregoing limitation shall not apply to shares registered in the IPO under the Securities Act.

4. Miscellaneous Provisions.

4.1. Decisions of Board or Committee. The Board or the Committee shall have the right to resolve all questions which may arise in connection with the Option or its exercise. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

4.2. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Optionee, acquire any rights hereunder in accordance with this Agreement or the Plan.

4.3. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Aircell Holdings Inc., Attn. General Counsel, 1250 N. Arlington Heights Road, Suite 500, Itasca, Illinois 60143, and if to Optionee, to the last known mailing address of Optionee contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of

receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

4.4. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not effect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

4.5. Governing Law. This Agreement, the Option and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

4.6. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

4.7. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan, and shall be interpreted in accordance therewith. The Optionee hereby acknowledges receipt of a copy of the Plan, and by signing and returning the Award Notice to the Company, at the address stated herein, he or she agrees to be bound by the terms and conditions of this Agreement, the Award Notice and the Plan.

EXHIBIT A

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

EXERCISE NOTICE AND SHARE
REPURCHASE AGREEMENT

Aircell Holdings Inc.
1250 N. Arlington Heights Road, Suite 500
Itasca, Illinois 60143
Attention: General Counsel

1. Exercise of Option. Effective as of today , 20 , the undersigned ("Optionee") hereby elects to exercise Optionee's option (the "Option") to purchase shares of Common Stock (the "Shares") of Aircell Holdings Inc. (the "Company") under and pursuant to the Aircell Holdings Inc. Stock Option Plan (the "Plan") and the Award Notice and Stock Option Agreement dated , 20 (the "Option Agreement").

2. Delivery of Payment. Optionee herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement.

3. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood this Exercise Notice and Share Repurchase Agreement (this "Agreement"), the Plan, the Option Agreement and the Shareholder Agreement among the Company and its shareholders (the "Shareholder Agreement"), and agrees to abide by and be bound by their terms and conditions. Optionee also agrees that, as a condition to the exercise of the Option, Optionee will be required to execute and deliver to the Company a counterpart signature page of the Shareholder Agreement and to become a party thereto, and the Shares will be held subject to the terms and conditions of such Shareholder Agreement.

4. Rights as Shareholder. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to receive dividends or any other rights as a shareholder shall exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares shall be issued to Optionee as soon as practicable after the Option is exercised. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 3.4 of the Option Agreement.

5. Company Share Repurchase Option. (a) Any time following the occurrence of (i) the termination of Optionee's employment with the Company for any reason, (ii) a breach by Optionee of any covenant set forth in any employment, noncompetition, nonsolicitation, confidentiality, inventions or similar agreement between the Company and Optionee (an "Employment Agreement") or (iii) the death of Optionee, the Company shall have the right (but not the obligation) in its sole discretion to repurchase any or all of the Shares held by Optionee (the "Share Repurchase Option"), which right may be exercised in one or more transactions. If the Company repurchases any Shares pursuant to this Section, it shall pay to Optionee, his or her legal representative or such other holder of the Shares a purchase price equal to:

(i) in the case of (A) Optionee's termination of employment for any reason other than Cause or (B) the death of Optionee, the Fair Market Value of such Shares as of the date the Company elects to repurchase such Shares; and

(ii) in the case of (A) Optionee's termination of employment by the Company for Cause or (B) Optionee's breach of an Employment Agreement, the lesser of the Exercise Price, as adjusted pursuant to Section 3.4 of the Option Agreement, or the Fair Market Value of the Shares as of the date the Company elects to repurchase such Shares.

(b) The Company's repurchase rights shall be in addition to any other rights or remedies that the Company may have under this Agreement, the Shareholder Agreement, any Employment Agreement or otherwise. If the Company elects to repurchase any Shares pursuant to this Section 5, the Company shall deliver to Optionee a notice setting forth the number of Shares which it has elected to repurchase. If the Company repurchases any of the Shares held by Optionee pursuant to this Section 5, Optionee shall deliver to the Company a certificate or certificates for the Shares being repurchased, duly endorsed or otherwise in proper form for transfer, against payment of the required repurchase price by cash, check or a promissory note, the terms of which shall be prescribed by the Company subject to this subsection (b). If the required repurchase price is paid by a promissory note, the promissory note shall become payable in full not later than the earliest of: (i) the two-year anniversary of the repurchase of the Shares by the Company; (ii) the occurrence of an IPO or (iii) the occurrence of a Change in Control, and shall provide for the payment of interest on the first day of each calendar quarter during the term of the loan at a rate equal to the Prime Rate published by the Northern Trust Bank as of the date of the repurchase**.** The repurchase rights hereunder may be exercised by any person to whom the Company assigns such rights.

6. Repurchase Restrictions. Notwithstanding anything to the contrary contained in this Agreement, all repurchases of Shares by the Company pursuant to Section 5 shall be subject to applicable restrictions contained in the Delaware General Corporation Law and in the Company's debt and equity financing agreements

7. Termination of Repurchase Rights and Obligations. The repurchase rights of the Company set forth in Section 5 hereof shall terminate as to any Shares upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

8. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice.

9. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THESE SHARES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT THEREOF OR UNLESS THE TRANSFER IS OTHERWISE EXEMPT FROM REGISTRATION. THE COMPANY MAY REQUIRE A WRITTEN OPINION OF COUNSEL (FROM COUNSEL ACCEPTABLE TO THE COMPANY) SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED SALE, PLEDGE, HYPOTHECATION OR OTHER TRANSFER. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE, HYPOTHECATION OR OTHER TRANSFER OF ANY INTEREST IN ANY OF THE SHARES REPRESENTED BY THIS CERTIFICATE.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN REPURCHASE OPTIONS HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH REPURCHASE OPTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Stop-Transfer Notices. Optionee agrees that in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company acts as its own transfer agent with respect to its securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to reflect any transfer on its books and records of any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

10. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Optionee and his or her heirs, executors, administrators, successors and assigns.

11. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by Optionee or by the Company forthwith to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on all parties.

12. Governing Law. This Agreement, the Option and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

13. Entire Agreement. The Plan and the Option Agreement are incorporated herein by reference. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Option Agreement. This Agreement, the Plan, the Option Agreement, the Investment Representation Statement and the Shareholder Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to Optionee's interest except by means of a writing signed by the Company and Optionee.

Submitted by:

Optionee:

_____

Signature

_____

Print Name

Accepted by:

Aircell Holdings Inc.

_____

By

_____

Title

_____

Date Received

EXHIBIT B

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

INVESTMENT REPRESENTATION STATEMENT

Optionee:

Company: Aircell Holdings Inc.

Security: Common Stock

Number of Shares:

Aggregate Exercise Price:

Date:

In connection with the purchase of the above-listed Securities, the undersigned Optionee represents to the Company the following:

(a) Optionee is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Optionee is acquiring these Securities for investment for Optionee's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933 (the "Securities Act").

(b) Optionee acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Optionee's investment intent as expressed herein. In this connection, Optionee understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Optionee's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Optionee further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Optionee further acknowledges and understands that the Company is under no obligation to register the Securities. Optionee understands that the certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company, and any other legend required under applicable state securities laws.

(c) Optionee is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Optionee, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act"), ninety days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of certain of the conditions specified by Rule 144.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires the resale, if the Company is not subject to Exchange Act reporting at the time, to occur not less than one year after the date the Securities were issued by the Company. In the case of acquisition of the Securities by an affiliate of the Company, or by a non-affiliate who subsequently holds the Securities less than one year, the satisfaction of certain of the conditions specified by Rule 144 must be met.

(d) Optionee further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Optionee understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Optionee:

_____

_____

Date: _____ , _____

EXHIBIT C

AIRCELL HOLDINGS INC.
STOCK OPTION PLAN

BENEFICIARY DESIGNATION FORM

You may designate a primary beneficiary and a secondary beneficiary for each option granted to you under the Aircell Holdings Inc. Stock Option Plan. You can name more than one person as a primary or secondary beneficiary. For example, you may wish to name your spouse as primary beneficiary and your children as secondary beneficiaries. Your secondary beneficiary(ies) will receive nothing if any of your primary beneficiary(ies) survive you. All primary beneficiaries will share equally unless you indicate otherwise. The same rule applies for secondary beneficiaries.

PART A: IDENTIFY AWARD TO WHICH THIS BENEFICIARY DESIGNATION APPLIES:

Option Granted on .

PART B: DESIGNATE YOUR BENEFICIARY(IES):

Primary Beneficiary(ies) (give name, address and relationship to you):

_____

_____

_____

_____

Secondary Beneficiary(ies) (give name, address and relationship to you):

_____

_____

_____

_____

I certify that my designation of beneficiary set forth above is my free act and deed.

_____ _____

Name
(please print)

Signature

_____

Date

This Beneficiary Designation Form shall be effective on the day it is received by the Company. This Form shall be (i) delivered to the Company by personal delivery, facsimile, United States mail or by express courier service and (ii) deemed to be received upon personal delivery, upon confirmation of receipt of facsimile transmission or upon receipt by the Company if by United States mail or express courier service; provided, however, that if this Form is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

If you are married and are not naming your spouse as the sole primary beneficiary, your spouse must complete and execute the consent in Part C of this Form and such consent must be witnessed either by a notary public or a plan representative. If you marry or become divorced after the date of this Form, your marriage will be deemed to revoke any prior beneficiary designation, and your divorce will be deemed to revoke any prior designation of your divorced spouse, if written evidence of such marriage or divorce is received by the Company before payment is made with respect to the Award. Therefore, if you are married or divorced after making a beneficiary designation, you should file a new designation even if you want your beneficiary designation(s) to remain the same.

PART C: SPOUSE'S CONSENT TO DESIGNATION OF BENEFICIARY (TO BE COMPLETED ONLY IF YOU ARE MARRIED AND NAME A BENEFICIARY OTHER THAN YOUR SPOUSE):

I hereby consent to my spouse's designation of beneficiary under Part B of this Form and I understand that the effect of this consent is that (i) if other beneficiaries are designated in addition to myself, I will receive only a portion of the amount payable pursuant to the Award after my spouse's death or (2) if I am not named as a beneficiary, I will not receive any amount payable pursuant to the Award after my spouse's death.

Name (Please Print)

Signature

Date

(State of)

(County of)

The above Spouse's Consent to Designation of Beneficiary was subscribed to by in my presence on this the day of , 20 .

NOTARY PUBLIC OR PLAN REPRESENTATIVE

Exhibit 10.4.1

LIMITED LIABILITY COMPANY AGREEMENT
OF
AC MANAGEMENT LLC

Dated as of January 31, 2007

TABLE OF CONTENTS

ARTICLE I

Definitions and Usage

ARTICLE II

Formation and Business of the Company

ARTICLE III

Management of the Company

ARTICLE IV

Capitalization and Units

LIMITED LIABILITY COMPANY AGREEMENT, dated as of January 31, 2007, of AC Management LLC, a Delaware limited liability company (the "Company"), adopted by the Members of the Company. Capitalized terms used herein have their respective meanings as set forth in Section 1.01.

WHEREAS the Company has been formed as a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq., as amended from time to time (the "Act")) pursuant to a Certificate of Formation dated as of January 31, 2007 (the "Certificate"), and filed for recordation in the Office of the Secretary of State of Delaware;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreement contained herein, the parties agree as follows:

ARTICLE I

Definitions and Usage

SECTION 1.01. Defined Terms. The following terms as used in this Agreement shall have the following meanings:

"Act " has the meaning set forth in the first recital to this Agreement.

"AC HoldCo" shall mean AC HoldCo LLC, a Delaware limited liability company.

"AC HoldCo LLC Agreement" means the Second Amended and Restated Limited Liability Company Agreement of AC HoldCo, dated January 31, 2007, as amended from time to time.

"Affiliate" means, with respect to any person, any other person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by " and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

"Agreement" means this Agreement, as amended or supplemented from time to time.

"Bankruptcy" means, with respect to any Member, any event that causes such Member to cease to be a member of the Company as provided in § 18-304 of the Act.

"Book Value" has the meaning set forth in Section 5.03.

"Business Day" means any day, other than a Saturday or Sunday, on which banks located in New York City are not required or authorized by law to remain closed.

"Capital Account" has the meaning set forth in Section 5.01.

"Capital Contribution" means a contribution by a Member to the capital of the Company pursuant to this Agreement.

"Change of Control" means the occurrence of any of the following: (i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of AC HoldCo and its subsidiaries, taken as a whole, to any person (other than an Existing Holder); (ii) the adoption of a plan relating to the liquidation or dissolution of AC HoldCo; (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (other than an Existing Holder) becomes the beneficial owner, directly or indirectly, of more than 50% of the outstanding units of AC HoldCo having the right to vote for AC HoldCo's directors; or (iv) AC HoldCo's merger or consolidation with or into any person (other than an Existing Holder), or the consolidation of any person (other than an Existing Holder) with, or the merger of any person (other than an Existing Holder) with or into, AC HoldCo, in any such event pursuant to a transaction in which any of the outstanding units or shares, as applicable, of AC HoldCo or such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the units of AC HoldCo outstanding immediately prior to such transaction are converted into or exchanged for units or shares of the surviving or transferee person constituting a majority of the outstanding units or shares of such surviving or transferee person having the right to vote (immediately after giving effect to such issuance).

"Class B Unit Proceeds" means any net proceeds (after deduction of any related expenses) received by the Company (whether in cash or property) in respect of or otherwise related to the AC HoldCo Class B Units held by the Company.

"Code" means the Internal Revenue Code of 1986, as amended. "Company" has the meaning set forth in the preamble to this Agreement.

"Continuous Service" means, with respect to any Member who is a Management Employee, that such Member's service with AC HoldCo or any Affiliate of AC HoldCo, whether as an employee, director or consultant, is not interrupted or terminated. A Member's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Member renders service to AC HoldCo or its Affiliates, or a change in the entity for which the Member renders such service, provided that there is no interruption or termination of the Member's services. For example, a change in status from an employee of AC HoldCo to a consultant of an Affiliate of AC HoldCo will not constitute an interruption of Continuous Service. The Managing Member may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. For purposes of this definition, holders

of units of AC HoldCo shall be deemed to not be Affiliates of AC HoldCo, its subsidiaries and the Company.

"Current Member" means AC HoldCo.

"Eligible Transferees" means any immediate family member or any trust or other custodial arrangement established for the benefit of any immediate family member.

"Employment Agreement" means, with respect to any Member, such Member's currently effective employment agreement (as amended, if applicable) and related written agreements with AC HoldCo.

"Existing Holder" means any one or more of (i) Ripplewood (as defined in the AC HoldCo LLC Agreement) and its Affiliates or (ii) Thorne (as defined in the AC HoldCo LLC Agreement) and its Affiliates.

"Fair Market Value" means the fair market value of a Unit or other Interest, determined in accordance with Section 8.03.

"Fiscal Year" has the meaning set forth in Section 9.01.

"Grant Date" means the date on which the Management Employee is issued Units by the Managing Member.

"Grant Notice" means a notice evidencing the terms applicable to a grant of Units to a Management Employee.

"Interest" means (a) one or more Units or (b) any other equity interest in the Company.

"Involuntary Transfer" means any Transfer by any Member of an Interest, or of any beneficial interest therein, upon default, foreclosure, forfeit, bankruptcy (voluntary or involuntary), court order, levy of attachment, execution, in connection with divorce or separation proceedings or otherwise than voluntarily by the Transferor; provided, however, that a Transfer required pursuant to Section 8.02 shall not be deemed an Involuntary Transfer and provided further, however, that with respect to a Member that is a natural person, any Transfer upon the death of such Member shall not be deemed an Involuntary Transfer.

"Liquidating Member" has the meaning set forth in Section 11.02(a).

"Limited Liability Company Agreement" has the meaning set forth in the Recitals.

"Management Employee" means any employee or other service provider of AC HoldCo or any Affiliate of AC HoldCo who owns Units or other Interests, whether directly or indirectly, in the Company. For purposes of this definition, holders of units of

AC HoldCo shall be deemed to not be Affiliates of AC HoldCo, its subsidiaries and the Company.

"Managing Member" means AC HoldCo.

"Member" means any person or persons who, from time to time, shall have acquired Units in the Company pursuant to and in compliance with the terms of this Agreement and who shall have been admitted as a Member in accordance with this Agreement, and shall not have ceased to be a Member under the terms of this Agreement or any applicable laws.

"Merger Conversion" means a conversion of AC HoldCo into, or merger of AC HoldCo with, a Newco in contemplation of or as part of a possible merger, consolidation, reorganization or other business combination.

"Net Income" or "Net Loss", as appropriate, means, for any period, (i) the taxable income or tax loss of the Company for such period for Federal income tax purposes (taking into account any separately stated items), (ii) increased by the amount of any tax-exempt income of the Company during such period and (iii) decreased by the amount of any Code Section 705(a)(2)(B) expenditures (within the meaning of Treasury Regulation Section 1.704-1(b)(2)(iv)(i)) of the Company; provided, however, that Net Income or Net Loss of the Company shall be computed without regard to the amount of any items of gross income, gain, loss or deduction that are specially allocated under Section 6.01. In the event that the Capital Accounts are adjusted pursuant to Section 5.01, the Net Income or Net Loss of the Company (and the constituent items of income, gain, loss and deduction) realized thereafter shall be computed in accordance with the principles of Treasury Regulation Section 1.704-1(b)(2)(iv)(g).

"Newco" means a stock corporation or other business entity to which all or a substantial portion of (a) the assets of AC HoldCo or (b) the units held by AC HoldCo's members, have been transferred.

"Nonmanaging Members" means the Members other than the Managing Member.

"Permitted Transferees" means any Transferee of Units from a Member to an Eligible Transferee.

"person" means any individual, corporation, partnership, trust, association, limited liability company, joint venture, joint-stock company or any other entity or organization, including a government or governmental agency.

"Secretary of State" means the Secretary of State of the State of Delaware.

"Tag-Along Sale" has the meaning set forth in Section 8.04.

"Tax Advances" has the meaning set forth in Section 6.02.

"Tax Matters Member" has the meaning set forth in Section 8.01(d).

"Tax Return" refers to any report, return, information return or other information required to be supplied to a taxing authority in connection with Taxes.

"Taxes" refers to all Federal, state, local and foreign taxes, charges, fees, levies, imposts, duties or other assessments of any kind whatsoever, imposed or required to be withheld by any Federal, state, local, foreign, or other governmental authority, including any interest, penalties or additions thereto, whether disputed or not.

"Transfer" means any direct or indirect transfer, sale, conveyance, assignment, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law, of an Interest. A Transfer of an Interest shall include any Transfer of a security that is a derivative of an Interest.

"Transferee" means the transferee of a Transfer.

"Transferor" means the transferor of a Transfer.

"Treasury Regulations" means the Federal income tax regulations promulgated by the United States Department of the Treasury interpreting the provisions of the Code.

"Unit" has the meaning set forth in Section 4.01.

"Unit Ownership" means, with respect to any Member at any time, the number of Units set forth opposite such Member's name in the Unit Register as it is maintained and updated by the Managing Member from time to time to reflect (i) any forfeiture of Units to the Managing Member, (ii) the Transfer of any Units, or portion thereof, in accordance with the provisions of this Agreement if the Transferee of such Units is a Member or is admitted as a Member in accordance with Section 8.01(a)(iii) or (iii) the redemption of Units pursuant to Section 8.04 or the terms of any Grant Notice.

"Unit Register" means the register containing a list of each of the Members of the Company, the Units owned by each of such Members and the Capital Contributions made by each of such Members (as amended from time to time) as maintained by the Managing Member as part of the books and records of the Company.

"Unvested Units" means, with respect to any Member that is a Management Employee, its Units other than Vested Units.

"Vested Units" means, with respect to any Member that is a Management Employee, and except as otherwise provided in the applicable Grant Notice, such Member's Units to the extent that such Units have vested in accordance with the following schedule:

(A) 6.25% of the Units received on the Grant Date by such Member shall become vested on the last day of each of the sixteen full three-month periods following such Grant Date (or, in the case of the "Initial Units" described in Section 4.02, on the last day of each of the sixteen full three-month periods following the later of July 1, 2006 or the date of hire), if the Member remains in Continuous Service through such day;

(B) 100% of the then outstanding Units not already vested shall become vested on a Change of Control, if the Member remains in Continuous Service through the date of such Change of Control.

For the avoidance of doubt, all of the Managing Member's Units shall be fully vested at all times.

SECTION 1.02. Other Definition Provisions. (a) Wherever required by the context of this Agreement, the singular shall include the plural, and vice versa, and the masculine gender shall include the feminine and neuter genders, and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein, the words "including", "includes", "included" and "include" are deemed to be followed by the words "without limitation". When used herein, the word "or " shall mean the disjunction but shall not be exclusive.

(b) Any capitalized term used in this Agreement and not defined in this Agreement shall have the meaning given to such term in the AC HoldCo LLC Agreement, but only if such term is defined therein.

ARTICLE II

Formation and Business of the Company

SECTION 2.01. Members. The Current Member hereby admits each of the persons set forth on the signature pages to this Agreement under the heading "Members" as a Member of the Company and such persons shall be the Members of the Company without the need for the consent of any person, upon the effectiveness of this Agreement. The Members hereby ratify the formation of the Company as a limited liability company under the Act and agree that the rights, duties and liabilities of the Members of the Company shall be as provided in the Act, except as otherwise provided herein.

SECTION 2.02. Company Name. The name of the Company as reflected in the Certificate of Formation is "AC Management LLC".

SECTION 2.03. Purpose and Powers. The Company has been formed for the object and purpose of, and the nature of the business to be conducted by the Company is, to invest in, hold and dispose of securities of AC HoldCo and to conduct such other activities necessary or incidental to the foregoing purposes. The Company shall possess and may exercise all the powers and privileges granted by the Act or by any other law, together with any powers incidental thereto, that are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Company. The Company shall be deemed to have for all purposes, without limitation, any and all of the powers that may be exercised on behalf of the Company by the persons so authorized pursuant to this Agreement.

SECTION 2.04. Registered Agent and Office. The registered agent for service of process is, and the mailing address for the registered office of the Company in the State of Delaware is in care of, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. Such agent and such office may be changed from time to time by the Managing Member.

SECTION 2.05. Principal Place of Business. The principal place of business of the Company shall be located at One Rockefeller Plaza, 32nd Floor, New York, New York 10020, or such other address as the Managing Member shall specify from time to time.

SECTION 2.06. Authorized Persons. The Managing Member and each officer of the Managing Member (and any agent as may from time to time be designated by any officer of the Managing Member for such purpose) is hereby designated as an authorized person, within the meaning of the Act, to act individually or collectively solely in connection with executing, delivering and causing to be filed, any amendments to, and/or restatements of, the Certificate of Formation adopted in accordance with the terms of this Agreement and any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in any jurisdiction in which the Company may wish to conduct business.

SECTION 2.07. Representations and Warranties. (a) Entities. Each Member that is a corporation, partnership, limited liability company, trust or other entity represents and warrants to the Company and to each other Member that (i) such Member is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction in which such Member was formed or organized; (ii) such Member has the full legal right, power and authority required to enter into, execute and deliver this Agreement and to perform fully its obligations hereunder; (iii) this Agreement has been duly authorized, executed and delivered by such Member and is a legal, valid and binding obligation of such Member enforceable against such Member in accordance with its terms; and (iv) such Member's authorization, execution, delivery and performance of this Agreement does not and will not conflict with (A) any law, rule or court order applicable to such Member, (B) such Member's organizational documents or (C) any other agreement or arrangement to which such Member is a party or by which it or its properties are bound.

(b) Natural Persons. Each Member that is a natural person represents and warrants to the Company and to each other Member that (i) such Member is of sound mind and has full legal capacity to enter into, execute and deliver this Agreement and perform fully his or her obligations hereunder; (ii) this Agreement has been duly executed and delivered by such Member and is a legal, valid and binding obligation of such Member enforceable against such Member in accordance with its terms; and (iii) such Member's execution, delivery and performance of this Agreement does not and will not conflict with (A) any law, rule or court order applicable to such Member or (B) any other agreement or arrangement to which such Member is a party or by which such Member or his or her properties are bound.

ARTICLE III

Management of the Company

SECTION 3.01. Managing Member. (a) Subject to Section 3.01(b), the business and affairs of the Company shall be managed solely by the Managing Member, which shall have the exclusive power and authority, on behalf of the Company, to take any action of any kind not inconsistent with the express provisions of this Agreement (but subject to Section 12.02) and to do anything and everything it deems necessary or appropriate to carry on the business and purposes of the Company. The Managing Member is, to the extent of its rights and powers set forth in this Agreement, an agent of the Company for the purpose of the Company's business, and the actions of each such Person taken in accordance with such rights and powers shall bind the Company. The Managing Member shall exercise its authority as such in its capacity as a member of the Company. None of the Nonmanaging Members shall participate in the management and control of the business of the Company. There shall not be any "managers" of the Company within the meaning of Section 18-101(10) of the Act.

(b) The Managing Member may consult with counsel and any advice or opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Managing Member hereunder in good faith and in accordance with such advice or opinion of counsel.

(c) The Managing Member shall have full, exclusive and complete discretion and authority on behalf of the Company in exercising the Company's rights as a member of AC HoldCo. In exercising such discretion and authority, the Managing Member shall be permitted to consider not only the interests of all the Members, taken as a whole, but its own interests both in its capacity as the Managing Member and otherwise.

(d) The Managing Member shall have the power to accelerate the time during which any Unit or Units will vest.

SECTION 3.02. Reliance by Third Parties. Any person dealing with the Company may rely on the power and authority of the Managing Member herein set forth.

ARTICLE IV

Capitalization and Units

SECTION 4.01. Authorized Capital. (a) The limited liability company interest of each Member in the Company shall be represented by units ("Units") issued to such Member. The limited liability company interests of the Company may be divided into classes by the Managing Member. Each Unit and class of Units shall have the specific rights, preferences and privileges set forth in the provisions of this Agreement or in any applicable Grant Notice. Other than as provided in this Agreement or in an applicable Grant Notice, the rights, preferences and privileges of the Units shall be identical.

(b) Unit Register. The Unit Register shall be maintained by the Managing Member as part of the books and records of the Company. The Members of the Company shall be those persons listed in the Unit Register and their respective initial Capital Accounts and Unit Ownership shall be as set forth in the Unit Register. None of the Nonmanaging Members shall be entitled access to the Unit Register provided that the Managing Member shall provide each Member upon its request with its respective Capital Account and Unit Ownership information and the total number of Units outstanding. The Managing Member shall amend the Unit Register as necessary to appropriately reflect the issuance, transfer or redemption of any Units and the admission and Capital Contributions (if any) of additional Members. In no event shall the Managing Member be obligated to provide any Member with any information with respect to another Member.

(c) Re-grant of Forfeited Units. Notwithstanding anything in this Agreement, if any Unit shall for any reason be forfeited to the Managing Member or reacquired or withheld by the Managing Member or the Company, such Unit shall be available for re-grant under this Agreement.

SECTION 4.02. Initial Units. As of the date of this Agreement, each of the Members shall have been issued the class of Units and number of Units listed in the Unit Register corresponding to such Member's name (the "Initial Units").

SECTION 4.03. Additional Units Generally. Except as permitted by Section 4.05, the Company shall not issue any additional Units or other equity securities without the prior written consent of each Member, in which case this Agreement shall be amended in a form mutually agreed by the Members to reflect such issuance.

SECTION 4.04. Cessation of Membership Status. In the event that a Member no longer holds any Units, whether by reason of the transfer of such Units or as a result of repurchases provided for in this Agreement or otherwise, such Member shall no longer be considered to be a Member of the Company for any purpose of this Agreement; provided, however, that such cessation of Member status shall not relieve the former Member of any liability to the Company existing at the time of such cessation of Member status.

SECTION 4.05. Additional Units Corresponding to AC HoldCo Units. (a) General. The Managing Member may cause the Company to issue an unlimited number of additional Units from time to time in respect of the corresponding amount of AC HoldCo Class B Units or other similar "carried interests" of AC HoldCo held by (or received in the future by) the Company. For the avoidance of doubt, this includes the re-grant of previously issued Units that are forfeited to the Managing Member upon the termination of a Member's Continuous Service.

(b) Amendments for Changes in Unit Ownership. The Managing Member shall amend this Agreement to the extent necessary to reflect appropriately the issuance, transfer or redemption of any Units.

SECTION 4.06. Admission of Additional Members. (a) Additional Members may be admitted with the approval of the Managing Member and upon the

execution and delivery of such agreements, documents or instruments as the Managing Member requires, except for admissions of additional Members in connection with Transfers of Units pursuant to Article VIII, which admissions must comply with the applicable provisions regarding admission of additional Members contained therein.

(b) The Managing Member promptly shall amend the Unit Register to reflect appropriately the admission of any additional Members, including the number of Units of such Members and any Capital Contributions of such Members.

SECTION 4.07. Certificates. The Company hereby irrevocably elects that all membership interests in the Company shall be securities governed by Article 8 of the Uniform Commercial Code. Each certificate evidencing membership interests in the Company shall bear the following legend: "The Units represented by this certificate are securities within the meaning of, and shall be governed by, Article 8 of the Uniform Commercial Code as adopted and in effect in the State of Delaware." No change to this provision shall be effective until all outstanding certificates have been surrendered for cancellation and any new certificates thereafter issued shall not bear the foregoing legend. The Managing Member may, in its discretion, hold any certificates evidencing Unvested Units in escrow. If requested by the Managing Member, a Member shall execute such documents as the Managing Member requests to evidence any such escrow arrangement.

SECTION 4.08. Expenses. The Managing Member shall bear all its reasonable expenses incurred in performing its duties as the Managing Member and as the Tax Matters Member.

SECTION 4.09. Capitalization Adjustments. If any change is made in the Units or in the corresponding Class B Units of AC HoldCo, without the receipt of consideration by the Company or AC HoldCo, as applicable (through merger, consolidation, reorganization, recapitalization, incorporation, change in state of organization, distribution (whether in property or cash), equity split, liquidating distribution, combination, exchange, change in form of organization or structure, or other transaction not involving the receipt of consideration by the Company or AC HoldCo, as applicable), then: (i) the Units will be automatically and proportionately adjusted in the class(es) and number of Units outstanding and available for issuance to Members to the extent necessary to reflect such change in the Units and/or the Class B Units of AC HoldCo, and (ii) the Grant Notices will be automatically and proportionately adjusted in the class(es) and number of securities subject to such Grant Notice to the extent necessary to reflect such change in the Units and/or the Class B Units of AC HoldCo. The Managing Member shall make such adjustments and shall amend the Unit Register to reflect such adjustments, and its determination shall be final, binding and conclusive. The conversion of any convertible securities of AC HoldCo or the Company, as applicable, shall not be treated as a transaction "without receipt of consideration" by the Company or AC HoldCo.

ARTICLE V

Capital Accounts; Withdrawal of Capital

SECTION 5.01. Capital Accounts. (a) There shall be established for each Member on the books of the Company as of the date hereof, or such later date on which such Member is admitted to the Company, a capital account (each being a "Capital Account"). The Company will maintain records to enable separate identification of Capital Contributions, allocations, revaluation events and distributions to the extent related to separate Units. Each Member's appropriate Capital Account shall be (i) credited with such Member's allocable share of any Net Income of the Company (pursuant to Section 6.01(a)) and all items of income and gain specially allocated to such Member pursuant to Section 6.01(b), (ii) debited with (A) distributions to such Member of cash or the fair market value of other property and (B) such Member's allocable share of Net Loss of the Company (pursuant to Section 6.01(a)), and all items of loss and deduction specially allocated to such Member pursuant to Section 6.01(b), and (c) otherwise maintained in accordance with the provisions of the Code. Any other item which is required to be reflected in a Member's Capital Account under this Agreement shall be so reflected. Capital Accounts shall be appropriately adjusted to reflect transfers of part (but not all) of any Class of a Member's Interest. Interest shall not be payable on Capital Account balances. Notwithstanding anything to the contrary contained in this Agreement, the Company shall maintain the Capital Accounts of the Members in accordance with the principles and requirements set forth in Section 704(b) of the Code and Treasury Regulation Section 1.704-1(b)(2)(iv).

(b) Upon the occurrence of any event specified in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), the Tax Matters Member may cause the Capital Accounts of the Members to be adjusted to reflect the fair market value of the Company assets at such time in accordance with such Regulation; provided, however, that the Tax Matters Member shall cause the Capital Accounts of the Members to be so adjusted in connection with any admission of additional Members.

SECTION 5.02. Withdrawal of Capital; Limitation on Distributions; Resignation. No Member shall be entitled to withdraw any part of such Member's Capital Account or, except as provided in Sections 7.01 and 11.02, to receive any other distributions from the Company, and no Member shall be entitled to demand or receive (i) interest on such Member's Capital Account or (ii) any property from the Company other than cash. No Member may withdraw from the Company without the prior written consent of the Managing Member.

SECTION 5.03. Determination of Book Value of Company Assets. (a) Book Value. The initial "Book Value" of any Company asset as of the date hereof shall be its fair market value on the date hereof as determined in good faith by the Managing Member.

(b) Adjustment. The Book Values of all of the Company's assets that are revalued pursuant to Section 5.01(b) shall be adjusted by the Company to equal their respective fair market values at such time, as determined in good faith by the Managing Member.

(c) Depreciation and Amortization. The Book Values of the Company's Assets shall be adjusted as appropriate to reflect any depreciation and amortization.

ARTICLE VI

Tax Matters

SECTION 6.01. Allocations. (a) Allocation of Net Profits and Net Losses. Net Profit and Net Loss and any items thereof shall be allocated among the Members during any Fiscal Year such that, if the Company were to sell all of its assets at their fair market value (as determined in good faith by the Board of Directors), use the proceeds thereof to satisfy all of its liabilities and then distribute any remaining balance to its Members in accordance with positive Capital Account balances immediately after such allocation, such distributions would, as nearly as possible, equal the distribution that such Member would have received had the Company distributed the remaining balance to its Members pursuant to Article VII of this Agreement.

(b) Tax Allocations. All tax items of the Company shall be allocated among the Members in accordance with the allocations of the corresponding items for Capital Account purposes under Section 6.01(a) subject to (1) the application of Code Section 704(c) using the traditional method without curative allocations provided in Treasury Regulation Section 1.704-3(b), (2) in the case of Units granted as compensation and subsequently forfeited, the making of "forfeiture allocations" as provided in applicable Treasury Regulations (which allocations shall be mandatory) and (3) other modifications required by the Code and Treasury Regulations thereunder.

SECTION 6.02. Interests Transferred in Connection with the Performance of Services. By executing this Agreement, each Member authorizes and directs the Company to elect to have the "Safe Harbor" described in the proposed Revenue Procedure set forth in Internal Revenue Service Notice 2005-43 (the "IRS Notice"), or any successor guidance or provision, apply to any interest in the Company transferred to a Member by the Company in connection with services provided to the AC HoldCo on or after the effective date of such Revenue Procedure. For purposes of making such Safe Harbor election, the tax matters partner is hereby designated as the "partner who has responsibility for federal income tax reporting" by the Company and, accordingly, execution of such Safe Harbor election by the tax matters partner constitutes execution of a "Safe Harbor Election" in accordance with Section 3.03(1) of the IRS Notice. The Company and each Member hereby agree to comply with all requirements of the Safe Harbor described in the IRS Notice, including, without limitation, the requirement that each Member shall prepare and file all federal income tax returns reporting the income tax effects of each Unit issued by the Company that qualifies for the Safe Harbor in a manner consistent with the requirements of the IRS Notice. Each Member authorizes the tax matters partner to amend this Article VI to the extent necessary to achieve substantially the same or similar tax treatment with respect to any interest in the Company transferred to a service provider by the Company in connection with services provided to the Company as set forth in Section 4 of the IRS Notice (e.g., to reflect changes from the rules set forth in the IRS Notice in subsequent Internal Revenue Service guidance), provided that such amendment does not result in disproportionately adverse treatment of such Member as compared to the treatment of a Member holding similar Units.

SECTION 6.03. Post-dissolution Obligations. A Member's obligations to comply with the requirements of this Article VI shall survive such Member's ceasing to be a Member of the Company and/or the termination, dissolution, liquidation and winding up of the Company, and, for purposes of this Article VI the Company shall be treated as continuing in existence.

SECTION 6.04. Tax Advances. To the extent the Managing Member reasonably determines that the Company is required by law to withhold or to make tax payments on behalf of or with respect to any Member (e.g., backup withholding taxes) ("Tax Advances"), the Company may withhold such amounts and make such tax payments as so required. All Tax Advances made on behalf of a Member shall, at the option of the Managing Member, (i) be paid promptly to the Company by the Member on whose behalf such Tax Advances were made or (ii) be repaid by reducing the amount of the current or next succeeding distribution or distributions which would otherwise have been made to such Member or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to such Member. Whenever the Managing Member selects option (ii) pursuant to the preceding sentence for repayment of a Tax Advance by a Member, for all other purposes of this Agreement such Member shall be treated as having received all distributions (whether before or upon liquidation) unreduced by the amount of such Tax Advance. Each Member hereby agrees to indemnify and hold harmless the Company and the other Members from and against any liability (including, without limitation, any liability for taxes, penalties, additions to tax, interest or failure to withhold taxes) with respect to income attributable to or distributions or other payments to such Member. In addition to the foregoing, if the Company, AC HoldCo or any of their Affiliates is required to withhold income or employment taxes in respect of the acquisition or ownership of any Unit by any Member, such Member shall be required to reimburse the entity designated by the Managing Member for such amounts, and/or any of such entities may withhold such amounts from any compensation, distributions and payments payable to such Member by the Company, AC HoldCo or any such Affiliate.

ARTICLE VII

Distributions

SECTION 7.01. Distributions. (a) Generally. Distributions shall be made when Class B Unit Proceeds are received by the Company and in such amounts as determined by the Managing Member and shall be made among the Members in cash or other property in amounts determined by the procedures set forth in Sections 7.01(b) and 7.01(c). Notwithstanding any provision to the contrary contained in this Agreement, (i) the Company shall not make a distribution to any Member on account of its Units if such distribution would violate the Act or other applicable law and (ii) the Company shall not be required to distribute any amount to the extent that the Company could be subject to any liability to refund or repay such amount or any liability arising out of the event giving rise to such amount except to Members who have agreed to assume such liability to the extent of the amount to be distributed in connection with such event.

(b) Distribution Amounts in Respect of Units. (i) Generally. Except as otherwise provided in this paragraph, any amounts of Class B Unit Proceeds to be distributed to Members pursuant to Section 7.01(a) shall be allocated to the Members pro rata in accordance with their respective Unit Ownership. The amount allocated to a Member attributable to his Vested Units will be distributed to such Member. The amount allocated to a Member with respect to his Unvested Units will be placed in an escrow account held and administered by the Managing Member and paid out to such Member as his Unvested Units vest; provided that if a Member's Unvested Units are forfeited to the Managing Member pursuant to Section 8.02, any amount remaining in such escrow account shall be paid to the Managing Member. Notwithstanding the foregoing, all Units are intended to constitute "profits interests" within the meaning of IRS Revenue Procedures 93-27 and 2001-43, and the Managing Member shall adjust the distributions allocable to any Unit to the minimum extent necessary to ensure such treatment of each Unit. For the avoidance of doubt, no such adjustments shall be necessary or apply to the "Initial Units" described in Section 4.02.

(c) Tax Distributions. Notwithstanding Section 7.01(b)(i), amounts of Class B Unit Proceeds attributable to a Tax Distribution under Section 6.02 of the AC HoldCo LLC Agreement will be distributed to Members other than AC HoldCo pro rata in accordance with their respective Unit Ownership, regardless of whether or not their Units have vested. All distributions made pursuant to this Section 7.01(c) shall constitute advances against amounts otherwise distributable to such Member under Section 7.01(b) and shall reduce the amounts that would otherwise be distributable to such Member thereunder. If the Company is required to repay to AC HoldCo an amount under Section 6.02 of the AC HoldCo LLC Agreement, the Company shall provide notice to the Members other than AC HoldCo and each such member will be required to repay to the Company its pro rata share of such amount.

(d) Other Income. Any other income earned by the Company shall be distributed to Members pro rata in accordance with their respective Unit Ownership.

SECTION 7.02. Repayment of Funds. Except as otherwise may be provided by law, Section 7.01(a)(ii), or Section 7.01(c), no Member shall be required to repay to the Company any funds distributed to it pursuant to this Agreement.

ARTICLE VIII

Transfers of Units

SECTION 8.01. Transfers of Units of the Company. (a) Generally. (i) A Member may not Transfer any Units (or any beneficial interest therein) or other Interests unless (A) such Transfer is in accordance with this Article VIII, (B) the Managing Member has consented, in its sole discretion, in writing to such Transfer, (C) the Transferor gives the Company not less than 15 Business Days prior written notice of such Transfer (unless greater prior notice is required by this Agreement, in which case the Transferor shall give such greater notice) and (D) the Transferee executes and delivers a counterpart of the signature page of this Agreement (or other appropriate assumption agreement) and any other agreements, documents or instruments as the Managing Member may reasonably require. Any Transfer made in violation of this Section 8.01(a) shall be null and void and shall be subject to paragraph (c) of this Section 8.01. Notwithstanding anything in this agreement to the contrary, Unvested Units may not be transferred.

(ii) Whenever a Transfer or purchase of an Interest is to be consummated by any person on a specified date under this Article VIII, such Transfer or purchase shall take place at 10:00 a.m. on such date (or, if such date is not a Business Day, the next following Business Day) at the [—] offices of [—] or at such other time, date and place as the Company and the parties to the transaction may agree. The consideration for such Transfer or purchase shall be paid by delivery to the Transferor of a certified or bank check made payable to such Transferor or by wire transfer in immediately available funds to a bank account designated by such Transferor, as the parties to such transaction may agree, against due execution and delivery of the agreements, documents and instruments specified in Section 8.01(a)(i)(D) and of such other agreements, documents and instruments as the Managing Member or the parties to such transaction may reasonably require.

(iii) Upon compliance with the requirements of Section 8.01(a), each Transferee of Units or other Interests shall have all of the economic rights, and shall be subject to the restrictions and obligations, of its Transferor hereunder, and shall succeed to the portion of the Transferor's Unit Ownership and Capital Account attributable thereto. Such Transferee shall be admitted as a Member only with the prior written consent of the Managing Member in its sole discretion. If a Transferor has Transferred all its Unit Ownership in the Company pursuant to this Article VIII and the Transferee is admitted as a Member, immediately following such admission, such Transferor shall cease to be a Member.

(b) Transfers by the Managing Member; Permitted Transferees.

(i) Subject to Section 8.01(a), the Managing Member shall have the right to Transfer at any time all or any portion of its Units or other Interests (including any beneficial interest therein) to any person without the prior consent of any person.

(ii) Subject to Section 8.01(a), a Member shall have the right to Transfer Vested Units at any time to a Permitted Transferee.

(c) Involuntary and Impermissible Transfers. If an Involuntary Transfer or a Transfer in violation of this Agreement shall occur with respect to any Member other than the Managing Member and such Transfer has not been cured within 30 days after notice has been given by the Managing Member to the Transferor or the Transferee, the Managing Member shall have the right, exercisable by delivery of written notice to such Transferee within 90 days following the earlier to occur of (x) the Managing Member's receipt of notice of such event from the Transferor or (y) the Managing Member's obtaining actual knowledge of such event from any other source, to purchase all of the Units or other Interests acquired directly or indirectly by such Transferee at a purchase price equal to the Fair Market Value thereof, determined in good faith by the Managing

Member as of the date of such event. Upon delivery of such written notice by the Managing Member, such Transferee shall cease to have any rights under this Agreement (and, if applicable, as a Member) other than to receive the Fair Market Value for such Units. The closing date of any purchase described in this Section 8.01(c) shall be on the 30th day after a determination of the Fair Market Value of the Units or other Interests to be purchased is made.

(d) Publicly Traded Partnership. Notwithstanding anything in this Agreement, in order to avoid the treatment of the Company as a "publicly traded partnership" within the meaning of Section 7704 of the Code, (i) unless waived in writing by the Tax Matters Member in its sole discretion, no Transfer of all or any of a Member's Units or other Interests may be made if such Transfer would result in the Company having more than 100 members (as determined in accordance with Treasury Regulation Section 1.7704-1(h)) and (ii) no Transfer, or attempted Transfer, of all or any of a Member's Units or other Interests may be made through the facilities of any "established securities market" or any "secondary market" or the substantial equivalent thereof (as such terms are defined for purposes of Section 7704(b) of the Code).

(e) Lock-Up. Notwithstanding any in this Agreement, no Member (other than AC HoldCo) shall sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Unit (or any securities (i) into which Units are converted or (ii) for which Units are exchanged or (iii) received as a distribution in respect of Units) for a period of time (generally, but not limited to, 180 days) specified by the managing underwriter(s) following the effective date of a registration statement of the Company, AC HoldCo or any of their Affiliates or successors filed under the Securities Act, including any period as the underwriters of the Issuer shall request in order to facilitate compliance with NASD Rule 2711 (the "Lock Up Period"); provided, however, that nothing contained in this section shall prevent the forfeiture of Unvested Units pursuant to the terms of this Agreement during the Lock Up Period. Each Member further agrees to execute and deliver such other agreements as may be reasonably requested by the Company, AC HoldCo, or their Affiliates or successors, and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the stop-transfer instructions may be imposed with respect to any Units until the end of such period. The underwriters of such securities are intended third party beneficiaries of this Section 8.02(e) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

SECTION 8.02. Forfeiture. Unless otherwise agreed in writing by the Managing Member, each Management Employee's Unvested Units, will, by operation of the Agreement and without any action on the part of any Member, be forfeited to the Managing Member, immediately and without consideration, upon the termination of the Management Employee's Continuous Service for any reason or for no reason.

SECTION 8.03. Fair Market Value. In determining the "Fair Market Value" of a Unit or other Interest, the Managing Member shall give due consideration to such factors as it deems appropriate, including the earnings and certain other financial and operating information of AC HoldCo and its subsidiaries in recent periods (including its margins), its potential value and that of its subsidiaries as a whole, the tax basis of its

assets, its future prospects (including growth prospects) and business strength and that of its subsidiaries and the industries in which they compete, its history and management and that of its subsidiaries, the general condition of the securities markets and the fair market value of securities of privately-owned companies engaged in businesses similar to AC HoldCo. The Fair Market Value shall be determined in good faith by the Managing Member; provided that if the applicable Management Employee provides written notice to the Company of disagreement with the Fair Market Value determined by the Managing Member within 15 days of receipt of such determination, such Management Employee and the Managing Member shall mutually agree in good faith on an independent, nationally recognized, investment bank to determine such fair market value, whose determination shall be binding on such Management Employee and the Managing Member. If the fair market valuation determined by such investment bank for the Units or other Interest is greater than the value of such security or securities set by the Managing Member, the valuation of such securities, as determined by the investment bank, shall be binding on the applicable Management Employee and the Managing Member and the fees and expenses of such investment bank shall be paid by the Managing Member. If the fair market valuation determined by such investment bank for the Units or other Interest is lower than the value of such securities set by the Managing Member, the valuation of such securities as determined by the investment bank shall be binding on the applicable Management Employee and the Managing Member and the fees and expenses of such investment bank shall be paid by the applicable Management Employee.

SECTION 8.04. Tag-Along Right; Redemption. Following receipt of a notice that the Company has the right to participate in a sale of AC HoldCo securities by a member of AC HoldCo, the Company shall notify all Members whenever such sale will result in a Change of Control (a "Tag-Along Sale"). In such event, each Member shall have the right to request the Company (within five days of the Company's notice pursuant to the preceding sentence) (i) to exercise the Company's right to participate in such Tag-Along Sale with respect to such Member's pro rata share of Class B Units of AC HoldCo that the Company is permitted to so convert and sell in such Tag-Along Sale, and (ii) to redeem a corresponding proportion of such Member's Units immediately following the consummation of the relevant Tag-Along Sale, in exchange for the Member's pro rata share of the proceeds received by the Company in respect of such converted Class B Units in connection with such Tag-Along Sale.

ARTICLE IX

Accounting and Tax Matters

SECTION 9.01. Fiscal Year. Unless otherwise required by the Code, the fiscal year of the Company for financial reporting and tax purposes (the "Fiscal Year") shall end on the last day of December in each year and shall begin on the first day of January in each year, unless otherwise determined by the Tax Matters Member; provided, however, that the first Fiscal Year of the Company shall be deemed to have commenced on the date the Certificate of Formation was filed with the Secretary of State and to have ended on the last day of December in the same calendar year.

SECTION 9.02. Books and Records and Capital Accounts. The Company shall maintain complete and accurate books and records at the Company's principal place of business showing the names and addresses of, and Units owned by each of the Members, all receipts and expenditures, assets and liabilities, profits and losses, and all other records necessary for recording the Company's business and affairs, including a record of the Capital Account of each Member. No Member, other than the Managing Member, shall have the right to inspect the books and records of the Company or any list of Members of the Company. The Company shall maintain two sets of books. One set of books shall be kept on the basis of generally accepted accounting principles and the other shall be kept on the basis of Federal income tax principles (including § 704(b) of the Code).

SECTION 9.03. Bank Accounts. The Company shall maintain one or more accounts with such bank or banks as the Managing Member may determine from time to time. Such persons as the Managing Member shall designate shall be authorized signatories for such accounts.

SECTION 9.04. Tax Matters. (a) Tax Elections. Except as otherwise expressly provided herein, the Tax Matters Member shall make all elections and determinations required or permitted to be made by the Company for applicable Tax purposes, including any election under Section 754 of the Code and the methods of accounting and depreciation to be utilized by the Company for Tax purposes.

(b) Treatment as a Partnership. The Members agree that the Company shall be treated as a partnership for purposes of United States Federal, state and local income and other taxes, and further agree not to take any position or make any election, in any Tax Return or otherwise, inconsistent therewith.

(c) Tax Returns. The Tax Matters Member shall cause all required Tax Returns to be filed with the appropriate office of the Internal Revenue Service or any other relevant taxing authority, as the case may be. As promptly as reasonably practicable after the receipt of Federal income tax Schedule K-1 for a Fiscal Year from AC HoldCo, the Tax Matters Member shall cause the Company to deliver to each Member a copy of such Member's Federal income tax Schedule K-1 for such Fiscal Year and such other tax information as the Tax Matters Member determines to be appropriate to enable the Members to prepare and file their respective Tax Returns.

(d) Designation of Tax Matters Member. The Managing Member shall be the "Tax Matters Member" of the Company as defined in Section 6231(a)(7) of the Code, and shall manage all administrative and judicial proceedings conducted with respect to the Company by the Internal Revenue Service or other Taxing authorities. All expenses incurred by the Managing Member while acting in such capacity shall be paid or reimbursed by Holdings.

SECTION 9.05. Liability to Third Parties; Capital Account Deficits. Except as may be otherwise provided by the Act or herein, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of

being a Member. Except as otherwise expressly provided in the Act, the liability of each Member for Capital Contributions shall be limited to the amount of Capital Contributions required to be made by such Member in accordance with the provisions of this Agreement. In no event shall any Member enter into any agreement or instrument that would create or purport to create personal liability on the part of any other Member for any debts, obligations or liabilities of the Company with the prior written consent of such other Member. No Member shall be liable to make up any deficit in its Capital Account.

ARTICLE X

Indemnification of Officers, Directors and Other Authorized Representatives

SECTION 10.01. Exculpation and Indemnification. (a) No Member shall be liable to the Company or to any other Member for monetary damages for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by it arising out of or in connection with this Agreement or the Company's business or affairs, unless such loss, claim, damage or liability is primarily attributable to such Member's gross negligence, willful misconduct or breach of this agreement, in which event such Member shall be liable to the extent such loss, claim, damage or liability is attributable to such gross negligence, willful misconduct or breach of this agreement.

(b) (1) The Company shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless each Member against any losses, claims, damages or liabilities to which such Member may become subject in connection with any matter arising out of or in connection with this Agreement or the Company's business or affairs; provided, however, that if such loss, claim, damage or liability is primarily attributable to such Member's gross negligence, willful misconduct or breach of this agreement, such Member shall not be entitled to such indemnification to the extent that such loss, claim, damage or liability is attributable to such gross negligence, willful misconduct or breach of this agreement. If any Member becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with this Agreement or the Company's business or affairs, the Company shall pay or reimburse such Member for its legal and other out-of-pocket expenses (including the cost of any investigation and preparation) as they are incurred in connection therewith; provided that such Member shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined that such Member was not entitled to be indemnified by the Company in connection with such action, proceeding or investigation. If for any reason (other than the gross negligence, willful misconduct or breach of this agreement of such Member) the foregoing indemnification is unavailable to such Member, or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Member as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and such Member on the other hand or, if such allocation is not permitted by applicable law, to reflect not only the relative benefits referred to above but also any other relevant equitable considerations.

(2) The provisions of this Section 10.01(b) shall survive for a period of six years from the date of dissolution of the Company; provided that if at the end of such period there are any actions, proceedings or investigations then pending, any Member may so notify the Company and the other Members at such time (which notice shall include a brief description of each such action, proceeding or investigation and the liabilities asserted therein) and the provisions of this Section 10.01(b) shall survive with respect to each such action, proceeding or investigation set forth in such notice (or any related action, proceeding or investigation based upon the same or similar claim) until such date that such action, proceeding or investigation is finally resolved; and provided further that the obligations of the Company under this Section 10.01(b) shall be satisfied solely out of Company assets.

(c) Each Member covenants for itself and its successors, assigns, heirs and personal representatives that such Person will, at any time prior to or after dissolution of the Company on demand, whether before or after such Person's withdrawal from the Company, pay to the Company any amount which the Company pays in respect of taxes (including withholding taxes) imposed upon income of or distributions to such Member.

(d) Notwithstanding anything else contained in this Agreement, the rights and obligations of the Company or any Member under this Section 10.01 shall:

(i) be in addition to any liability which the Company or such Member may otherwise have; and

(ii) inure to the benefit of such Member, its Affiliates and their respective members, directors, officers, employees, agents and Affiliates and any successors, assigns, heirs and personal representatives of such Persons.

ARTICLE XI

Dissolution and Winding-Up

SECTION 11.01. Dissolution. The Company shall be dissolved upon the earliest to occur of any of the following: (a) the decision of the Managing Member to dissolve the Company, (b) a Change of Control or (c) the entry of a decree of judicial dissolution under § 18-802 of the Act. The Bankruptcy, death, retirement, resignation, expulsion or dissolution of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company shall not in and of itself cause a dissolution of the Company to occur (and the Company, without such Member, shall continue), unless there are no remaining Members of the Company.

SECTION 11.02. Winding-Up Affairs and Distribution of Assets. (a) Upon dissolution of the Company, the Managing Member shall be the liquidating trustee for the Company (the "Liquidating Member") and shall proceed to wind up the affairs of the Company, liquidate the remaining property and assets of the Company and wind up and terminate the business of the Company. The Liquidating Member shall cause a full accounting of the assets and liabilities of the Company to be taken and, unless all the Members otherwise agree, shall cause the assets to be liquidated and the business to be wound up as promptly as possible by selling the Company assets and distributing the net proceeds therefrom in accordance with Section 11.02(b).

(b) Unless and to the extent otherwise required by the Act or any other applicable law, the proceeds of any such liquidation shall be applied in the following order of priority: (i) first, to creditors of the Company (including Members who are creditors, to the extent permitted by law) in satisfaction of the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof) and (ii) second, to the Members in accordance with Article VII.

ARTICLE XII
Miscellaneous Provisions

SECTION 12.01. Entire Agreement. This Agreement and, with respect to each Management Employee, the applicable Grant Notice and his Employment Agreement (if any), sets forth the entire understanding among the parties relating to the subject matter contained herein and merges all prior discussions among them.

SECTION 12.02. Amendments and Modifications. This Agreement and any Grant Notice may be amended or modified at any time and from time to time by the written consent of the Managing Member, without the consent of any of the Nonmanaging Members, including to the extent permitted by Section 4.04 (e), provided, however, that any modification or amendment (i) increasing the amount of Capital Contributions required to be made by any Member or that would require any Member to make a loan to the Company, (ii) adversely affecting any Member's right to receive distributions or allocations, as provided in Articles VI and VII, (iii) adversely affecting any Member's rights under Article X, (iv) resulting in a loss of any Member's limited liability status or (v) modifying or amending this Section 12.02, shall require the written consent of each Member affected thereby. Subject to any mandatory provisions of the Act or applicable law to the contrary, any amendment or modification so adopted shall be binding upon the Company and all the Members except as otherwise provided in this Section 12.02.

SECTION 12.03. Severability. If any one or more of the provisions contained in this Agreement or in any document executed in connection herewith shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired; provided, however, that in such case the Members shall endeavor to amend or modify this Agreement (subject to the terms, conditions and requirements set forth in Section 12.02) to achieve to the extent reasonably practicable the purpose of the invalid provision.

SECTION 12.04. GOVERNING LAW. THIS AGREEMENT AND ALL ACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES).

SECTION 12.05. No Waiver of Rights. No failure or delay on the part of any party in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude other or further exercise thereof or of any other right or power. The waiver by any party or parties hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

SECTION 12.06. SUBMISSION TO JURISDICTION. ANY AND ALL SUITS, LEGAL ACTIONS OR PROCEEDINGS ARISING OUT OF THIS AGREEMENT SHALL BE BROUGHT IN THE SUPERIOR COURT OR THE COURT OF CHANCERY OF THE STATE OF DELAWARE, THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, THE SUPREME COURT OF THE STATE OF NEW YORK, NEW YORK COUNTY OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND EACH MEMBER HEREBY SUBMITS TO AND ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF SUCH SUITS, LEGAL ACTIONS OR PROCEEDINGS. IN ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING, EACH MEMBER WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS AND AGREES THAT SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO IT AT ITS ADDRESS SET FORTH IN THE BOOKS AND RECORDS OF THE COMPANY. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, LEGAL ACTION OR PROCEEDING IN ANY SUCH COURT AND HEREBY FURTHER WAIVES ANY CLAIM THAT ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

SECTION 12.07. Specific Performance. The parties hereto hereby declare that irreparable damage would occur as a result of the failure of any party hereto to perform any of its obligations under this Agreement in accordance with the specific terms hereof. Therefore, all parties hereto shall have the right to specific performance of the obligations of the other parties under this Agreement and if any party hereto shall institute any action or proceeding to enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party has an adequate remedy at law. The right to specific performance should be in addition to any other remedy to which a party hereto may be entitled at law or in equity.

SECTION 12.08. Waiver of Jury Trial. Each Member hereby waives to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or any transaction contemplated hereby. Each Member (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other Members have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 12.08.

SECTION 12.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 12.10. Headings. The Article, Section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 12.11. Binding Agreement. Except as expressly provided herein, the covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the estate, heirs, legal representatives, successors and permitted assigns of the respective Members.

SECTION 12.12. Notices. All notices and other communications required or permitted by this Agreement shall be made in writing and any such notice or communication shall be deemed given or delivered when delivered in person, transmitted by telecopier, or one Business Day after it has been sent by a nationally recognized overnight courier, at the address or addresses for notices to the recipient designated in the Unit Register. Communications by telecopier also shall be sent concurrently by first class mail or nationally recognized overnight courier, but shall in any event be effective as stated above. Each Member may from time to time change its address for notices under this Section 12.12 by giving at least five days' written notice of such changed address to the Company.

SECTION 12.13. Waiver of Partition; Classes or Group of Members. Each Member hereby waives any and all rights, if any, that such Member may have to maintain an action for partition of the Company's property. The Company shall have one class or group of Members for all purposes under the Act, including, without limitation, § 18-209 thereof.

SECTION 12.14. No Right to Employment. Nothing in this Agreement shall confer upon any Member any right to continue to serve AC HoldCo or an Affiliate as an employee, director or consultant, or shall affect the right of AC HoldCo or any Affiliate to terminate the service relationship of any person, with or without notice and with or without cause.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed as of the day and year first written above.

Managing Member

AC HOLDCO LLC,

by: /s/ Ron LeMay
Name: Ron LeMay
Title: Chairman

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed as of the day and year first written above.

Member

[NEW MEMBER]

by: _____
Name:
Title:

Exhibit 10.4.2

AMENDMENT NO. 1 TO LIMITED LIABILITY COMPANY AGREEMENT
OF
AC MANAGEMENT LLC

AMENDMENT No. 1 (this "Amendment"), dated as of June 2, 2010, to the Limited Liability Company Agreement (the "LLC Agreement") of AC Management LLC, a Delaware limited liability company (the "Company"), dated as of January 31, 2007. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the LLC Agreement.

WITNESSETH:

WHEREAS, on December 31, 2009, AC HoldCo, the Managing Member of the Company, was merged with and into Aircell Holdings Inc., a Delaware corporation ("Aircell"), with Aircell as the surviving entity;

WHEREAS, as part of the merger, the Class B Units owned by the Company were exchanged for 7,974.873106 shares of common stock of Aircell, par value $0.0001 per share ("Common Stock"), equaling 1.5% of the total issued and outstanding shares of capital stock of Aircell on a fully diluted basis;

WHEREAS, the Managing Member wishes to amend the LLC Agreement to (i) clarify that the Managing Member is a Delaware corporation and that the interests that the Company holds in Aircell are now shares of Common Stock and (ii) specify the manner in which it may make distributions of Units to the Members; and

WHEREAS, pursuant to and in accordance with Section 12.02 of the LLC Agreement, the Managing Member desires to amend the LLC Agreement and has executed written consents authorizing this Amendment.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

Section 1. Definitions and Usage. The LLC Agreement is hereby amended and supplemented as follows:

(a) All references to "AC HoldCo" or "AC HoldCo LLC, a Delaware limited liability company" shall be deleted and replaced by references to "Aircell" or "Aircell Holdings Inc., a Delaware corporation", respectively, except as otherwise specifically provided for herein.

(b) All references to "AC HoldCo LLC Agreement" shall be deleted and replaced by references to "Aircell Stockholders' Agreement", which shall mean, the Aircell Stockholders' Agreement, dated as of December 31, 2009, by and among AC Holdco Inc. and the other parties thereto.

(c) All references to “units of AC HoldCo” shall be deleted and replaced by references to “equity securities of Aircell”.

(d) All references to “Class B Units” shall be deleted and replaced by references to “Common Stock”, which term shall have the meaning as defined in the Recitals of this Amendment.

(e) The definition of “Change of Control” shall be deleted and replaced by the following:

“Change of Control” means the occurrence of any of the following: (i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Aircell and its subsidiaries, taken as a whole, to any person (other than an Existing Holder); (ii) the adoption of a plan relating to the liquidation or dissolution of Aircell; (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (other than an Existing Holder) becomes the beneficial owner, directly or indirectly, of more than 50% of the outstanding Common Stock having the right to vote for Aircell’s directors; (iv) the initial public offering of the Common Stock, or other similar interest of any successor-in-interest to Aircell, whether such offering is a primary offering or a secondary offering or a combination of the two, pursuant to an effective registration statement filed with the Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, or (v) Aircell’s merger or consolidation with or into any person (other than an Existing Holder), or the consolidation of any person (other than an Existing Holder) with, or the merger of any person (other than an Existing Holder) with or into, Aircell, in any such event pursuant to a transaction in which any of the outstanding units or shares, as applicable, of Aircell or such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Common Stock outstanding immediately prior to such transaction is converted into or exchanged for units or shares of the surviving or transferee person constituting a majority of the outstanding units or shares of such surviving or transferee person having the right to vote (immediately after giving effect to such issuance).

(f) The definition of “Class B Unit Proceeds” shall be deleted and replaced by the following:

“Common Stock Proceeds” means any net proceeds (after deduction of any related expenses) received by the Company (whether in cash or property) in respect of or otherwise related to the Aircell Common Stock held by the Company; provided that, upon the occurrence of an initial public offering of Common Stock, the Common Stock held by the Company shall constitute Common Stock Proceeds.

(g) The definition of “Continuous Service” is hereby amended and supplemented by deleting the first reference to “AC HoldCo” and replacing it with “Aircell (or its predecessors)”.

(h) The definition of "Employment Agreement" is hereby amended and supplemented by deleting the reference to "AC HoldCo" and replacing it with "Aircell (or its predecessors)".

(i) Clause (b) in the definition of "Newco" is hereby deleted and replaced in its entirety as follows:

"(b) the equity securities of Aircell's stockholders, have been transferred".

(j) All references to "member of AC HoldCo" shall be deleted and replaced by references to "stockholder of Aircell".

(k) The reference to "AC HoldCo Units" in the title of Section 4.05 of the LLC Agreement is hereby deleted and replaced by "Aircell Equity Securities".

Section 2. Capitalization and Units.

(a) Section 4.01(c) of the LLC Agreement is hereby amended and supplemented by adding the following to the end of such section:

"Without limiting the foregoing, all previously forfeited Units held by the Managing Member shall be re-issued to other Members then within the employ (or serving as directors) of Aircell, without regard to the limitation on the issuance of additional Units under Section 4.05 and without regard to the qualification of such Units as "profits interests" under Section 7.01(b). Each such Member receiving re-issued Units other than as profits interests acknowledges and agrees that the receipt of those Units shall be regarded as compensation for which such Member shall be responsible for the payment of all applicable payroll withholding and other taxes."

(b) The first sentence of Section 4.05(a) of the LLC Agreement is hereby deleted and replaced in its entirety as follows:

"The Managing Member may cause the Company to issue an unlimited number of additional Units from time to time in respect of the corresponding amount of Aircell Common Stock held by the Company, except as provided in Section 4.01(c) with respect to the re-issuance of previously forfeited Units as other than profits interests upon a Change of Control."

Section 3. Distributions.

(a) Section 7.01(a) of the LLC Agreement is hereby deleted and replaced in its entirety as follows:

"(a) Generally. Distributions shall be made when Common Stock Proceeds are received by the Company and in such amounts as determined by the Managing Member and shall be made among the Members in cash or other property in amounts determined by the procedures set forth in Sections 7.01(b) and 7.01(c).

Notwithstanding the foregoing, the Managing Member shall have the sole discretion with respect to when to make any such distributions in the event that the Common Stock Proceeds are as a result of, or related to, the initial public offering of Common Stock, including making such distributions after any underwriter lock-up period as described in Section 8.01(e) of this Agreement. Notwithstanding any provision to the contrary contained in this Agreement, (i) the Company shall not make a distribution to any Member on account of its Units if such distribution would violate the Act or other applicable law and (ii) the Company shall not be required to distribute any amount to the extent that the Company could be subject to any liability to refund or repay such amount or any liability arising out of the event giving rise to such amount except to Members who have agreed to assume such liability to the extent of the amount to be distributed in connection with such event."

(b) Section 7.01(b) of the LLC Agreement is hereby deleted and replaced in its entirety as follows:

"(b) Distribution Amounts in Respect of Units. (i) Generally. Except as otherwise provided in this paragraph, any amounts of Common Stock Proceeds to be distributed to Members pursuant to Section 7.01(a) shall be allocated to the Members pro rata in accordance with their respective Unit Ownership. The amount allocated to a Member attributable to his Vested Units will be distributed to such Member. The amount allocated to a Member with respect to his Unvested Units will be held in escrow by the Managing Member and paid out to such Member as his Unvested Units vest; provided that if a Member's Unvested Units are forfeited to the Managing Member pursuant to Section 8.02, any such amounts then held in escrow by the Managing Member shall automatically be released and paid to the Managing Member. Notwithstanding the foregoing, except as provided in Section 4.01(c) with respect to the re-issuance of previously forfeited Units as other than profits interests upon a Change of Control, all Units are intended to constitute "profits interests" within the meaning of IRS Revenue Procedures 93-27 and 2001-43, and the Managing Member shall adjust the distributions allocable to any Unit to the minimum extent necessary to ensure such treatment of each Unit. For the avoidance of doubt, no such adjustments shall be necessary or apply to the "Initial Units" described in Section 4.02, and any increase in amounts distributable to the Managing Member as a result of such adjustments being made in respect of Units shall be available, at the discretion of the Managing Member, for re-allocation to other Members then within the employ (or serving as directors) of Aircell. Each Member receiving a re-allocation pursuant to the preceding sentence acknowledges and agrees that such receipt shall be regarded as compensation for which such Member shall be responsible for the payment of all applicable payroll withholding and other taxes."

(c) Section 7.01(c) of the LLC Agreement is hereby deleted in its entirety.

Section 4. No Other Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the LLC Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

Section 5. Miscellaneous. The provisions of Article XII of the LLC Agreement are incorporated herein by reference and shall apply to the terms and provisions of this Amendment and the parties hereto *mutatis mutandis*.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, the Managing Member has caused this Amendment to be executed as of the date first written above by its respective officers thereunto duly authorized.

MANAGING MEMBER:

AIRCELL HOLDINGS INC.

By: /w/ Michael J. Small
Name: Michael J. Small
Title: President and CEO

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-178727 on Form S-1 of our report dated March 21, 2012 relating to the financial statements of Gogo Inc. and subsidiaries, appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Prospectus.

Chicago, Illinois
March 21, 2012