

Long-Term Loan or Guarantee Application

ATTACHMENT A: Large Aircraft Transactions

OMB No. 3048-0013
Expires 4/30/2010

- 1. Financing Type Requested.** Three financing options are available for new large aircraft transactions under the Large Aircraft Sector Understanding (LASU), contained in the OECD Arrangement. All three options may be requested for a PC. Only one option may be chosen for an AP. Check below the option(s) you are requesting. For *used* large aircraft transactions, complete No. 3 of the *Long-Term Loan or Guarantee Application*.

Option 1: An Ex-Im Bank guarantee for up to 85% of the contract price.

Option 2: An Ex-Im Bank guarantee for 42.5% of the contract price coupled with an Ex-Im Bank direct loan at the applicable LASU interest rate for 42.5% of the contract price. The Ex-Im Bank direct loan is repaid during the later maturities.

Option 3: An Ex-Im Bank guarantee for 22.5% of the contract price coupled with an Ex-Im Bank direct loan at the applicable LASU interest rate for 62.5% of the contract price. The Ex-Im Bank guaranteed loan and direct loan are repaid on a pari-passu basis.

- 2. Spare Parts Financing.** Indicate if any spare parts or spare engines are included in the export sale and provide the requested information on these items.
- 3. Credit Information.** The information requested in this section is generally required for all applications. If the transaction is secured with a sovereign guarantee, all or part of the detailed operational information requested in items E, F, and G below may not be necessary. Likewise, if the airline is a repeat customer of Ex-Im Bank, much of the historical financial and operating information may already have been provided to Ex-Im Bank, and additional information could be limited to updating the existing information. In either situation, please contact the Transportation Division to discuss the possibility of limiting the amount of information required by Ex-Im Bank. If any of the information listed in this section is not obtainable, Ex-Im Bank can discuss other options for credit analysis with the applicant.
- Airline history and ownership, and background data on senior management/directors.
 - Contract price of aircraft, net of all credit memoranda and other discounts extended by the suppliers of the airframe, engines, and other components.
 - Amount of buyer furnished equipment (BFE) included in the contract price, description of BFE, and location where BFE will be installed.
 - Reason for purchase (replacement or expansion of fleet), proposed routes, and suitability of aircraft model in terms of fleet make-up and intended routes.
 - Description of each business segment of airline operations (passenger, freight, maintenance, catering, and other related businesses), and the portion of revenue and operating profit attributable to each segment.
 - Identification of major geographic markets and description of competitive position, market share, and strategy regarding competition, yield management, and cost control in each market. Include the airline's marketing plan and details of affiliations and partnerships with other carriers.
 - The operating statistics listed below or similar statistics containing the same general information for the most recent three years and, if available, up to five years. Provide the listed statistics for domestic and international operations, as well as for each geographic region or route type and each business segment.

ASKs (Available Seat Kilometers)	Load Factors
ATKs (Available Ton Kilometers)	Yield (passenger and cargo)
RPKs (Revenue Passenger Kilometers)	Aircraft Utilization Rate
RTKs (Revenue Ton Kilometers)	Number of Employees
Operating Expenses per Available Seat Kilometers	
 - Present and projected route structure, including basis for selecting new or expanded routes.
 - Audited balance sheet, income, and cash flow statements and annual reports for the three most recent fiscal years, and interim statements for the most recent period, if applicable. Annual statements must be prepared in accordance with internationally accepted accounting principles and audited in accordance with international standards.
 - Projected balance sheet, income, and cash flow statements for a five-year period, accompanied by supporting assumptions.
 - Moody's or Standard & Poors ratings, if available.

PRELIMINARY/FINAL COMMITMENT APPLICATION
ATTACHMENT A: Large Aircraft Transactions

OMB No. 3048-0013
Expires 4-30-2010

1. Lender's detailed term sheet of proposed financing structure (*not required for Preliminary Commitments*). Include relevant information on the special purpose vehicle (SPV) for lease structures, including the domicile and proposed ownership of the SPV. If a tax lease structure is contemplated, include a description and flow chart of the proposed tax lease structure.

4. **Security Requirements.** Ex-Im Bank will determine whether the security for a specific large aircraft transaction will be a sovereign guarantee, a lien on the aircraft, or both. For large aircraft transactions in which the security includes the aircraft, Ex-Im Bank will require that a valid and enforceable lien be placed on the aircraft to be financed. The information listed below concerning registration and mortgages is required if Ex-Im Bank has no prior experience with asset-based structures in the airline's country or if the laws pertaining to registration and mortgages have been amended. Please contact the Transportation Division to determine if such experience exists. Supplemental information on these issues may be required during the processing of the application and Ex-Im Bank may ask the applicant to pay for outside counsel or consultants selected by Ex-Im Bank to research particular issues. Include with the application any additional information that may facilitate Ex-Im Bank's determination of security.
 - a. **Aircraft Registration**
 - Is the country of registration a party to the Chicago Convention of 1944 on International Civil Aviation?
 - Are there statutes or regulations in the country dealing with the registration of aircraft? If so, provide an English translation of such statutes or regulations.
 - Is there an aircraft registry? If so, describe how it operates.
 - What specific steps (including any provisions that must be contained in the relevant documents) must be taken to register and deregister an aircraft?
 - b. **Aircraft Mortgages**
 - Is the country of registration a party to the Convention of 1948 on International Recognition of Rights in Aircraft (the "Geneva Convention")?
 - Describe the statutes or regulations in the country dealing with mortgages of aircraft.
 - Can a valid and perfected first priority mortgage on the aircraft and engines be created for the benefit of Ex-Im Bank?
 - What claims may have a "super" priority over a mortgagee or lessor of an aircraft?
 - Following a default, can an aircraft be repossessed without judicial interference?
 - Can a judgment be awarded in U.S. dollars and, if so, are any special approvals necessary?
 - Will a foreign judgment or a judgment by an arbitrator be recognized in the airline's country?

**If you have questions about this attachment, please contact the Transportation Division
(Telephone: 202-565-3550 or Fax: 202-565-3558).**