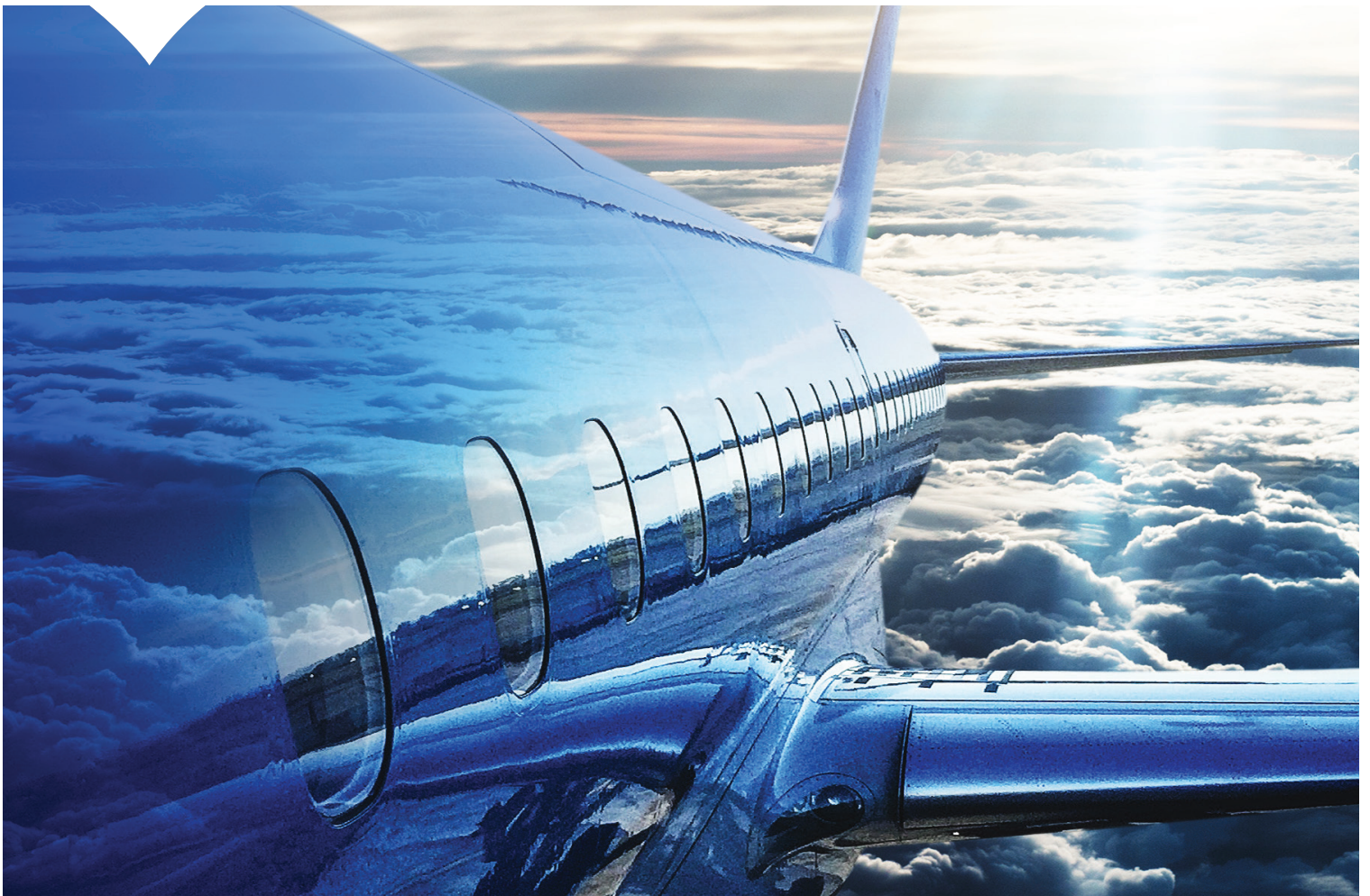


Aircraft Finance





“... one of the best in aircraft-related work.”


Chambers Global

Aircraft Finance

Mayer Brown's Aircraft Finance practice represents lenders and equity participants, as well as commercial aircraft lessors, airlines, borrowers and export credit agencies, in both public and private transactions.

The firm's airline industry work dates back to the early days of commercial aviation's original consolidation, and today Mayer Brown's highly dedicated team of aviation lawyers represents aircraft leasing companies, air carriers, aircraft manufacturers, aerospace service providers and financial investors. We advise clients on a wide range of transactions, including

aircraft leases, warehousing arrangements, enhanced equipment trust certificate transactions (EETCs), "synthetic" leases and other off-balance sheet lease and hybrid lease structures, "double dips," bank and publicly funded debt transactions, debt pass-through trusts, domestic single-investor and leveraged tax leases, and cross-border leveraged leases. Additionally, we represent issuers of letters of credit and other parties providing credit support on these transactions. We also advise financing parties in connection with restructurings involving airlines and aircraft.



“Their knowledge in this
area [aviation finance]
is very deep ...”

Chambers Asia-Pacific

Our on-the-ground presence in most of the world's key business and finance centers and cross-office cooperation allow us to assist clients with structuring and executing cross-border transactions. Mayer Brown has substantial experience advising on the laws of many countries and coordinating the efforts of local counsel in a wide range of multinational transactions. And our tax lawyers are well-versed in financing structures with cross-border elements and multijurisdictional tax issues.

The Aircraft Finance team's work in a broad spectrum of related fields enhances our ability to represent clients in aircraft financing transactions. For example, we have extensive experience in matters involving equipment finance, equipment syndication, international project finance, structured finance, leveraged transactions, regulated industries, state and local governmental regulations, taxation and restructuring.

In addition, we have one of the world's most active legal practices in business aviation. We advise manufacturers, lenders and purchasers of new and secondhand corporate jet aircraft on all aspects of this industry, from the sale and purchase of aircraft to their financing and operation, whether on a private-use or charter basis—transactions involving business aircraft owned or operated in virtually all jurisdictions.

Related Practices

BANKING & FINANCE


A founding practice of the firm, Mayer Brown's Banking & Finance group now comprises more than 200 lawyers across 20 offices in the Americas, Europe, Asia and the Middle East. The practice offers all of the specialty services that our clients demand—from cross-border finance and international capital markets work through project finance, asset finance, structured finance and derivatives. We have handled transactions ranging from the small and local to the multibillion-dollar and cross-border. The practice represents numerous finance companies and fixed-income funds, mezzanine investors, hedge funds, financial service boutiques, spin-offs and other financial institutions and investors. Chambers and Partners has described us as a "banking 'powerhouse' for its sheer manpower and global coverage" and as "technically excellent."

Mayer Brown's legal services for the aviation industry include:

- Aircraft and engine sale agreements
- Aircraft and engine leases (including finance leases, operating leases, wet leases and charters)
- Aircraft and engine finance (including bank debt, export credit-supported financing, tax-driven structures and hire purchases)
- Maintenance and ground-handling arrangements
- Codeshares and alliances
- Aircraft registration and taxation
- Aviation litigation and other contentious matters
- Aviation insurance issues
- Airport infrastructure
- Airport privatizations
- Regulatory compliance

STRUCTURED FINANCE

With more than 100 structured finance lawyers in offices across the Americas, Asia and Europe, Mayer Brown has one of the largest Structured Finance practices in the world. Our team has securitized every conceivable asset type, including aviation-related assets such as lease payment streams, aircraft and aircraft engines. Key factors in our ability to structure cutting-edge transactions globally are our lawyers' depth of knowledge of the tax, regulatory and international accounting standards issues that affect securitization and the close cooperation between our securitization, tax and regulatory lawyers. The firm's unparalleled regulatory experience is the result of decades of industry leadership on a range of securities, bank capital, consumer protection and accounting issues and provides clients a critical edge in creative deal structuring. Furthermore, the tax lawyers on the Structured Finance team are well-versed in the cross-border and multijurisdictional tax issues that are key factors in structuring most aircraft securitizations.



“Mayer Brown JSM has been a key law firm for most of our corporate jet financings in the region. The team is extremely knowledgeable, and has a deep understanding of the market and a very strong reputation in the market. We have been extremely satisfied with JSM’s work in general.”

IFLR 1000 2017

Mayer Brown's Capital Markets/Securitization practice is ranked Band 1/Tier 1 by *International Financial Law Review*, *Chambers Global*, *Chambers USA* and *Legal 500*.

Dedication to Client Service

Committed to delivering excellent client service, our multilingual team establishes and maintains close working relationships with each of our clients. We take time to understand each client's particular business objectives with a view to delivering legal services in the most efficient and cost-effective manner possible.

Representative Experience

SECURITIZATIONS

Represented the placement agent and initial purchaser in connection with a \$1.1 billion Rule 144A portfolio securitization that was secured by a pool of operating leases, the lessees of which are carriers located in 17 countries in North and South America, Europe and Asia.

Represented the structuring and placement agent in connection with the issuance and placement of \$700 million of securities, using "CRAFT," an offshore special purpose entity, to finance regional jet and turboprop aircraft sold by Bombardier Inc.

Mayer Brown "goes from strength to strength —its partner coverage, responsiveness, technical ability and industry knowledge add up to a strong offering."
The Legal 500

Represented the structuring agent and lenders in a financing through a securitization vehicle of the sale and leaseback of \$100 million in aircraft engines used by a Brazilian carrier.

Represented the structuring and placement agent in connection with a securitization of loans secured by A320 aircraft operated by a Caribbean airline.

Represented the placement agent in the structuring of a proposed securitization of a portion of the rental streams relating to a pool of aircraft subleases.

Advised the structuring agent in connection with the securitization of aircraft leases in which the aircraft were subject to double-dip lease transactions.

Represented a financial services firm in the securitization of its corporate aircraft loans through several issuances of ABS over the period 2003–2012.

Advised the equity investor, debt agent and lender (both for senior and subordinated debt) in the establishment of an aircraft investment fund that provides equity for a \$1.2 billion aircraft warehouse facility. The fund is structured to provide short- to medium-term equity investments in a range of aircraft leased to US and other international lessees. We also represented the agent in the individual financing of aircraft into the syndicated warehouse facility in which this aircraft fund is an equity participant.

ENHANCED EQUIPMENT TRUST CERTIFICATES

Represented an investment banking firm in connection with the proposed offering of senior and subordinated certificates for undivided interests in a pool of net leases between an airline and a bankruptcy-remote subsidiary of an aircraft manufacturer.

Represented the equity participant in the leveraged lease of an Airbus A300F4-605R aircraft to a major US cargo carrier involving approximately \$80 million in equipment cost and using EETC indebtedness.

Represented a major airline in connection with the issuance of approximately \$800 million of fixed-rate enhanced pass-through indebtedness relating to the refinancing of leased and owned aircraft.

Represented a major airline in connection with the issuance of approximately \$550 million of floating-rate enhanced pass-through indebtedness relating to the refinancing of leased and owned aircraft.

Represented the structuring and placement agent in connection with the EETC of undivided interests in a pool of aircraft conditional sales agreements between a manufacturer and an airline.



ASIAN-MENA COUNSEL

AVIATION FIRM OF THE YEAR

HONG KONG (2012–2013, 2015)

HONORABLE MENTION, VIETNAM, 2015



CHAMBERS

BAND 1

AVIATION: FINANCE (INTERNATIONAL FIRMS) – CHINA (2011–2016)

GLOBAL BAND 2

AVIATION FINANCE-ASIA/PACIFIC REGION (2014–2016)

LATIN AMERICA BAND 2

AVIATION – BRAZIL (2016)

LEGAL 500

TIER 1

ASSET FINANCE/AVIATION FINANCE – HONG KONG (2007–2013 AND 2015–2016)

TIER 2

AVIATION FINANCE – FRANCE (2010–2016)

Represented the underwriter in connection with the issuance of approximately \$95 million in enhanced pass-through indebtedness for a domestic carrier.

“This global powerhouse advises high-profile clients on an impressive roster of work across the banking and finance sector.”

Chambers Asia-Pacific

AIRCRAFT ACQUISITION, PDP AND PERMANENT FINANCING FACILITIES, INCLUDING LEVERAGED LEASES

Advised Apple Bank for Savings in connection with the \$67.4 million financing of pre-delivery payments for two Boeing 787-9 aircraft being acquired by Norwegian Air.

Advised Apple Bank for Savings as the lender in relation to the \$38 million financing of pre-delivery payments for Bombardier G6000 aircraft being acquired by VistaJet SA.

Advised Air Austral on the sale and leaseback of one ATR 72-500 aircraft purchased by Falko, a UK aircraft lessor.

“Mayer Brown draws praise for its ‘on-point, solutions-based advice,’ its ability to ‘consistently meet or beat deadlines,’ and for fielding ‘a particularly strong and experienced pool of partners and senior associates.’ The team is ‘simply top-notch in terms of project finance generally.’”

The Legal 500 US

Advised Crédit Agricole CIB on the refinancing of a Bombardier Global 6000 aircraft for a Saudi owner.

Represented Bank of China New York Branch, as mandated lead arranger, in a \$1.85 billion acquisition financing in the acquisition of Avolon Holdings Limited, one of the world’s largest aviation leasing companies. The financing is one of the largest international acquisition financing transactions of its kind and the largest in aviation financing ever completed by a Chinese bank.

Represented a European bank in a \$26 million credit facility that financed the engine repair contract between a

maintenance provider and a US airline. The facility was secured in part by the power-by-hour payments owed by the airline to the maintenance provider.

Represented a major insurance company and other institutional investors in the proposed leveraged lease to SkyWest Airlines of 20 ERJ-175s, with debt financing to be provided by BNDES.

Represented Aviation Finance Corporation (AFC), Apple Bank and a major insurance company in connection with the \$160 million financing of the pre-delivery payments for four Global 6000 aircraft being acquired by the VistaJet Group.

Represented AFC in connection with a \$206 million PDP financing for 10 Bombardier Challenger 605 aircraft for IALT SA, a leading Swiss aircraft financing, leasing and trading company and other similar transactions financed through the private-placement market.

Represented AFC in two PDP financings for Gulfstream and Bombardier aircraft for One Sky Flight.

Represented Apple Bank in PDP financings for Boeing aircraft for three UK airlines.


Acted for Jackson Square Aviation in connection with three aircraft acquisition credit facilities totalling \$1.25 billion and represented the affiliated borrowers in the delivery of aircraft under operating leases. Aircraft in the facilities were secured by New York law and, where applicable, local law mortgages and international registry filings.

Acted for Jackson Square Aviation in connection with a \$25 million bridge loan for a Boeing Model 737-900ER leased to PT Lion Mentari and secured by a mortgage.

Acted for the agent, the security trustee and the bank syndicate lenders in a \$135 million lease financing of one new Boeing 777-300ER aircraft for a PRC lessor on lease to a PRC airline.

Acted for Jackson Square Aviation in connection with a \$31 million term loan for a Boeing Model 737 leased to Virgin Australia and secured by a New York mortgage.

Represented the administrative agent and majority lender in an \$875 million committed loan facility used to finance aircraft leased to US and international lessees.



“[They] have strong commercial sense and a good grasp of the international practice in the aviation market.”

Chambers Asia-Pacific 2017

“Mayer Brown’s service ‘is as you would expect from a top player—its knowledge of the securitization industry is impressive and very comprehensive.’”

The Legal 500 US

Represented HSH Nordbank AG in the \$125 million aircraft warehouse facility for DB Aircraft Leasing Trust, a subsidiary of Deutsche Bank.

Advised the equity investor, debt agent and lender (both senior and subordinated debt) in the establishment of an aircraft-investment fund that provides equity for a \$1.2 billion aircraft warehouse facility. The fund is structured to provide short- to medium-term equity investments in a range of aircraft leased to US and other international lessees. The fund is in the process of an initial public offering. We also represented the agent in the individual financing of aircraft into the syndicated warehouse facility in which this aircraft fund is an equity participant.

“The broad and versatile asset finance group at Mayer Brown ... is particularly well regarded for its expertise on the structured finance side.”

The Legal 500 US

Represented lenders in a syndicated, secured financing for the acquisition of several commercial aircraft subject to operating leases with foreign airlines located in South America, Asia and Europe. Such financing was secured by both the aircraft and operating leases.

Represented the lender in three pre-delivery progress payment financing facilities totalling \$855 million for VistaJet. Proceeds of the loans are used to make pre-delivery payments to Bombardier Inc. for Challenger and Global Vision corporate aircraft.

Represented the lender, in a \$165 million pre-delivery progress payment financing facility for XOJET Finance Company LLC. Proceeds of the loans are used to make pre-delivery payments to Bombardier Inc. for Challenger corporate aircraft.

Advised a leading Chinese commercial bank on its first financing of an Airbus A319 aircraft.

Advised a leading US financial institution on its financing of an Airbus A318 aircraft.

Advised a PRC aircraft lessor on the financing of pre-delivery payments for eight A320 aircraft.

Acted for an Asia-Pacific airline on a secured loan from a provident fund for A330 aircraft.

Acted for a leading Asian carrier on the tax-driven financing of many different aircraft (averaging 10 aircraft per annum since 2010).

Advised a PRC aircraft lessor in a significant aviation financing project involving seven Airbus A320/A319/A321 and Boeing B737 aircraft. This project comprises (i) sourcing funds to finance the purchase of these aircraft and (ii) documenting the acquisition and leaseback arrangements for them. The purchaser was based in Ireland, the purchaser’s parent company was based in the PRC, and the sellers were based in Europe. More than 10 jurisdictions were involved and we gave advice from our offices in Hong Kong and Germany. The aggregate value exceeds \$200 million.

Represented a PRC aircraft lessor in its portfolio acquisitions from various leasing companies involving more than 10 Airbus and Boeing aircraft that are subject to leases in different jurisdictions. Some of them involve complicated tax-structuring and headlease/sublease arrangements. The total value exceeds \$450 million.


Acted for a leading Asian carrier on a sale and leaseback involving nine B777-300ER aircraft and a US lessor with an aggregate value of approximately \$1.5 billion.

Acted for a leading Asian carrier on a sale-and-leaseback financing program involving seven aircraft and a Singaporean lessor with an aggregate value of approximately \$1 billion.

Advised an Asia-Pacific airline on the finance leasing of ATR 42-600 and ATR 72-600 aircraft.

OPERATING LEASES

Advised French boutique airline La Compagnie on the leasing of two Boeing 757-200 aircraft.



“The practice was referred to as ‘a strong performer on aircraft finance transactions,’ with a reputation for ‘sensible advice and quality service’ and ‘practical and commercial approach to transactions.’”

Chambers Asia-Pacific

Advised Irish operating lessor Iris Helicopter Leasing on the leasing of 10 helicopters to a UK operator.

Advised airlines and lessors on the operating leases of aircraft and aircraft engines in a great variety of jurisdictions including Russia, Georgia and America.

Represented I.L.F.C. and other operating lease companies with respect to leases of over 25 aircraft over a five-year period to lessees in Ethiopia, France, Germany, Kenya, Malaysia, Morocco, Somalia, Turkey and the United Kingdom.

Represented the lessors in the leasing of Boeing 737, 757 and 767 aircraft to operators based in a variety of jurisdictions (Spain, France, Turkey and Sweden).

“The practice was referred to as ‘a strong performer on aircraft finance transactions,’ with a reputation for ‘sensible advice and quality service’ and ‘practical and commercial approach to transactions.’”

Chambers Asia-Pacific

Represented the operators based in Chile, Qatar, England and other jurisdictions in connection with operating leases of several large commercial jet aircraft such as Boeing 767, 757 and 737 aircraft, Airbus A300 aircraft and BAE 146 aircraft.

Provided advice to operating lessors concerning unique aircraft financing issues in connection with leasing aircraft on an operating lease basis to Central Asian airlines.

Acted for one of the largest airlines in Hong Kong on the sale and leaseback financing of a fleet of Boeing 777-300ER aircraft. One aircraft was placed into a German KG (private investor) cross-border structure with a total value in excess of \$150 million. Fifteen aircraft were placed into sale and leaseback structures with a total value of more than \$2 billion.

Represented the lessor in connection with operating leases for three Boeing 747 to British Airways.

Represented a European operating lessor in the delivery of an A320 aircraft on an operating lease to a Central Asian flag carrier. We drafted an executive decree for the government, providing for the country’s accession to the Geneva Convention.

Advised a regional airline on matters relating to the accession to the Cape Town Convention by the government of the place in which the airline is based in connection with the ECA financing for the airline’s aircraft.

Advised a leading Asian airline on matters relating to its lessor’s restructuring and the related lease amendments for eight aircraft.

Acted for a leading Asian airline in the lease novations of a number of A321 and Boeing 777 aircraft.

Acted for an Asia-Pacific airline in the lease novation of a Boeing 737 aircraft.

Acted for a Hong Kong-based airline in the lease of four A320 aircraft.

Represented a leading airline in connection with the lease of three Boeing 747 freighters.

Acted for an international lessor in connection with the lease of one Boeing 747 aircraft to an Israeli airline.

Advised a lessor on the lease of three A320 aircraft to a PRC airline.

“The firm has significant experience in structured finance and has been at the forefront of the markets for securitization and other structured products since their inception. The firm is also highly distinguished in all aspects of domestic and cross-border financing transactions.”

The Legal 500

SYNTHETIC AND SINGLE-INVESTOR LEASES

Advised the lenders and equity participants in a \$170 million revolving synthetic lease of aircraft that were registered in numerous jurisdictions including Antigua, Austria, Canada, France, the Maldives, New Zealand and the United Kingdom.

Represented the equity participants in three synthetic leases of McDonnell Douglas MD-11F aircraft aggregating \$300 million in equipment cost. The aircraft were further sub-leased to various airlines, including foreign carriers.

Represented the lenders in a synthetic lease financing using a special-purpose securitization vehicle of \$100 million in aircraft engines that will be subleased to various end users.

Represented the equity participants and various other financing parties in a \$41 million revolving, commercial paper conduit-funded, synthetic lease of aircraft.

Represented the financing parties in a synthetic lease financing of a lessee's fleet of corporate aircraft located in the United States and Canada.

Represented BTM as lessor in a synthetic lease financing of a Dassault Falcon 2000 corporate jet for approximately \$22 million.

"The lawyers' response times are 'unbelievable,' and 'they always know exactly what the client needs.'"

Legal 500 Asia-Pacific

Represented the lessee in a single-investor lease financing of a Hawker 850 XP corporate jet for approximately \$14 million.

Represented a bank leasing company as lessor in a single-investor financing of a Gulfstream corporate aircraft.

EXIM BANK/ECA-SUPPORTED FINANCING

Represented the lender in three pre-delivery progress payment financing facilities totalling \$855 million for VistaJet. Proceeds of the loans are used to make pre-delivery payments to Bombardier Inc. for Challenger and Global Vision corporate aircraft.

Represented the lender in a \$165 million pre-delivery progress payment financing facility for XOJET Finance Company LLC. Proceeds of the loans are used to make pre-delivery payments to Bombardier Inc. for Challenger corporate aircraft.

Represented Eximbank in connection with the guaranteed financing of four Boeing 737 aircraft to Czech State Airlines. We collaborated with Eximbank on drafting an amendment to Czech Air Code regarding aircraft mortgage registration.

Represented Eximbank in connection with the guaranteed financing with sovereign support of one Boeing 747-400 aircraft to Air Namibia. We further represented Eximbank in a subsequent South African sublease structure of such Boeing 747-400 combi aircraft.

Represented Eximbank in connection with the guaranteed financing of seven Boeing 737-600 aircraft to Tunisair.

Represented a bank/lessor syndicate on several ECA-backed financings for new Airbus A300, A310 and A320 aircraft.

Represented an airline based in the Asia-Pacific region on a series of ECA financings for three new A330 aircraft.



“Mayer Brown’s service ‘is as you would expect from a top player—its knowledge of the securitization industry is impressive and very comprehensive.’”

The Legal 500 US



About Mayer Brown

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We are noted for our commitment to client service and our ability to assist clients with their most complex and demanding legal and business challenges worldwide. We serve many of the world's largest companies, including a significant proportion of the Fortune 100, FTSE 100, DAX and Hang Seng Index companies and more than half of the world's

largest banks. We provide legal services in areas such as banking and finance; corporate and securities; litigation and dispute resolution; antitrust and competition; US Supreme Court and appellate matters; employment and benefits; environmental; financial services regulatory & enforcement; government and global trade; intellectual property; real estate; tax; restructuring, bankruptcy and insolvency; and wealth management.

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About Mayer Brown

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We are noted for our commitment to client service and our ability to assist clients with their most complex and demanding legal and business challenges worldwide. We serve many of the world's largest companies, including a significant proportion of the Fortune 100, FTSE 100, CAC 40, DAX, Hang Seng and Nikkei index companies and more than half of the world's largest banks. We provide legal services in areas such as banking and finance; corporate and securities; litigation and dispute resolution; antitrust and competition; US Supreme Court and appellate matters; employment and benefits; environmental; financial services regulatory and enforcement; government and global trade; intellectual property; real estate; tax; restructuring, bankruptcy and insolvency; and wealth management.

Please visit www.mayerbrown.com for comprehensive contact information for all Mayer Brown offices.

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