

MERCURY AVIATION PARTNERS, LLC MAP Asset Preservation, LLC



PORTFOLIO & ASSET MANAGEMENT

STRICTLY PRIVATE
& CONFIDENTIAL

January 2011



Who is MAP?

Patrick Harris is the President and CEO. He is responsible for strategic planning and day to day operations including the development of business relationships with banks and investors. Patrick brings a wealth of lending and leasing experience to MAP developed during a career that spans more than thirty years. He honed his asset management skills with Chemical Bank, GPA and IACO and has advised on over \$2bn of aircraft transactions.

Richard (Dick) Wellman is the Director of Operations. He is responsible for aircraft sales, leasing and trading. Dick has owned Part 121 airlines and has closed more than 200 aircraft purchase and sale transactions throughout his career. Dick brings a depth of operational experience and technical knowledge to MAP which is based on his unique experience of managing aircraft fleets in domestic and international airline service.



What We Have Done

- Purchased new aircraft from the manufacturer
- Purchased 100's of used aircraft
- Converted passenger aircraft to freighter
- Remarketed 100's of aircraft and managed that process
- Purchased and leased engines
- Financed aircraft with tax based, conventional debt, operating leases and sale & lease back
- Managed workouts and credit related restructurings
- Repossessed aircraft on a friendly and hostile basis



What MAP Can Do For You

- ➔ Our goal is to maximize portfolio values & returns
- ➔ We do that on a transaction by transaction basis looking at:
 - ➔ Lease term (length of lease)
 - ➔ Lease terms (contract documentation)
 - ➔ Expected aircraft maintenance condition on redelivery
 - ➔ Credit quality
 - ➔ The airlines' need to retain/dispose of the aircraft
 - ➔ Where future lease rates and values for the aircraft are trending
 - ➔ Our assessment of the demand for this type of aircraft
- ➔ We make a “hold” or “sell” recommendation based on the above
 - ➔ If it's sell then there is a series of decisions to be made
 - ➔ If it's hold a different series of decisions to be made



Products & Services

The combined experience of our management team exceeds 105 years

Proven track record as senior executives airlines and with the industry's largest banks & lessors

Significant aircraft portfolio management experience covering:

→ Aircraft Portfolio Management:

- Deal origination
- Cash management
- Contract documentation and negotiation
- Proactive portfolio management

→ Remarketing & Trading:

- New & used aircraft, engines and related equipment

→ Financial Engineering:

- Debt & Equity arranging, structuring & restructuring

→ Asset Management

- Technical & physical inspection/maintenance oversight
- Aircraft delivery, redelivery and repossession
- Compliance with contract terms



Benefits of Professional Management

Aviation professionals look at the aircrafts' fundamentals:

Industry Status

Know where we are in the cycle
Understand what future cycles will offer with respect to market conditions
Anticipate the cycles and develop trading strategies accordingly

Default Management

In the event of default:

- Evaluate aircraft condition
- Renegotiate quickly and if unsuccessful:
- Move to repossess and remarket the aircraft

Proactive management is the key to success in aviation financing



What Are the Benefits of MAP?

- Proactive versus reactive transaction management
- Knowledge of maintenance related issues such as airworthiness directive implementation, maintenance reserve collection and disbursement
- Focused management of the airline relationship
- Constant awareness of trends in aircraft-specific supply and demand
- Constant monitoring of the hold/sell review process
- Planning and implementation of the remarketing process well in advance of aircraft return



Maximizing Profits

Asset based financing relies on the asset for repayment rather than just the credit quality of the borrower

Reliance on the asset requires :

Buying the aircraft right

Buying readily marketable types

What MAP does to achieve this is:

Structure the transaction to maximize gains

Proactively manages the asset

As opportunities arise we will be there to help you “buy right” as well



Why Let MAP Manage Your Aviation Portfolio?

“We have lived through three significant cycles”

- We have a proven track record
- High degree of integrity and focus
- The partners are proven performers
- Skills are all inclusive
- Respected by industry peers
- Have reputation for closing deals
- Have the skills and experience to manage the business profitably



Call to Action

- **This is asset based financing**
- **This is a cyclical market**
- **Timing is everything**
 - **Manage Right**
 - **With Experienced People**
- **Let MAP manage your aviation investments**



Contacts

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