



Adjusted Desktop Appraisal

On One (1)

Airbus A320 Aircraft:

Serial Number:

12345

Conducted on Behalf of

Your Company

By:

ACI Aviation Consulting



Date: _____



Table of Contents

REPORT PURPOSE	3
EXECUTIVE SUMMARY	4
THE APPRAISAL	5
Airline Industry Overview and Market Analysis.....	6
The Post 9-11 Market.....	6
The Manufacturer: Boeing.....	11
The Boeing 737 Aircraft.....	13
Current and Future Half-Time Values	15
Value Adjustments.....	16
Value Adjustments from Half-Time	17
STATEMENT OF INDEPENDENCE	18
METHODOLOGY	18



REPORT PURPOSE

The purpose of this report is to set forth ACI Aviation Consulting's (ACI) opinion of the adjusted market value and future adjusted value of one (1) Airbus A320 aircraft. This assignment is being conducted on behalf of Your Company.

ACI has not physically inspected these aircraft nor audited their maintenance records. Accordingly, ACI cannot attest to their physical presence or condition.

This desktop appraisal report has been conducted using industry recognized appraisal procedures and is primarily based upon aircraft data as supplied by the aircrafts' operator and market research conducted at ACI's headquarters in Warrenton, Virginia.

This report represents the opinion of ACI and is only advisory in nature. By accepting this report the client agrees to hold ACI harmless for actions taken or not taken based upon the valuation conclusions and findings expressed in this report.



EXECUTIVE SUMMARY

Adjusted Desktop Appraisal and Future Adjusted Value Of One (1) Embraer EMB120 Aircraft Serial Number: 12345

At the request of Your Company, ACI Aviation Consulting has been retained to conduct an adjusted desktop appraisal on one (1) Embraer EMB120 aircraft, Serial Number 12345 (the "Aircraft").

By its nature, this desktop appraisal report is cursory and is intended to provide aircraft market values, adjusted for maintenance status and future values.

ACI has not physically inspected these aircraft, nor audited their maintenance records. Further, ACI cannot attest to their physical presence or condition; however, ACI has been provided with aircraft data from the current operator. ACI is not certifying the accuracy of the supplied data.

In conducting its assignments, ACI uses standard aviation auditing techniques that have been developed over the past two decades. These techniques require ACI to obtain reasonable assurance that the documents, as presented and obtained, contain no material misstatements or gross errors. Further, this assignment is not intended to substantiate airworthiness or compliance with mandated regulations.

This report represents the opinion of ACI and is advisory only in nature. By accepting this report, the client agrees to hold ACI harmless for actions taken or not taken based upon the conclusions and findings expressed in this report.

In combination with the notes and assumptions on the aircraft valuation spreadsheets, ACI has determined the adjusted market values of the aircraft are:

Adjusted EMB120 Aircraft Values	
S/N	12345
Current Value	\$00.00mm
Future Value	\$00.00mm

Values above are in millions of US Dollars

ACI has included cursory discussion on the aircraft manufacturer, the aircraft type, within this desktop appraisal report.

THE APPRAISAL

SAMPLE



**Airline Industry Overview and
Market Analysis
Historical Perspective**

During the years, post-deregulation, up to and including 1989, the airline industry experienced a period of strong growth. The major U.S. airlines had placed large aircraft orders and were looking forward to continued profits. These airlines experienced record operating income in 1988 and 1989.

The U.S. economic slump of 1990-1991, coupled with the invasion of Kuwait, caused an industry-wide recession, followed by the reorganization of several airlines and consolidation within the industry. From 1990 through 1992, the major U.S. airlines suffered operating losses of approximately \$7.2 billion due to flat passenger demand.

From late 1994 until early 2000, the industry experienced a recovery as a result of a rebounding economy, increasing passenger demand, and a focus on tightly controlling costs. The major U.S. airlines enjoyed steady growth, record earnings, and a return to overall profitability.

Prior to September 11, 2001, however the aviation industry had begun to see a cyclical downturn. Demand for air travel declined in early 2001 and lower second quarter results from many

of the major U.S. airlines were further evidence of an industry in recession.

Higher fuel costs, contentious labor negotiations, and a slowdown of the world economy in late 2000 through the middle of 2001 hit the airlines hard. Not only was leisure travel slowing, but as corporations sought to control costs in the weakening economy, demand for the highly-profitable business travel decreased.

The terrorist acts committed in the United States on September 11, 2001 further weakened an already declining U.S. economy, particularly in the airline industry.

The attacks were directly responsible for the temporary grounding of the entire U.S. airline industry with the consequent loss of revenue. In spite of a massive government bailout which allowed several airlines to survive in the months after the crisis, much of that revenue did not return. In fact, by some estimates, overall demand had contracted by as much as 20 to 30 percent.

The Post 9-11 Market

What began as a normal cyclical downturn, well underway by the second half of 2001, turned into a much deeper downturn as a result of the terrorist attacks on 9/11/01. Airlines immediately reacted by directly reducing capacity, in



some cases by as much as 30 percent, in an attempt to meet reduced passenger demand. This quick reduction in capacity caused an immediate imbalance between aircraft supply and demand. Prior to 9-11 the total number of jet aircraft in storage was 912; by the end of 2001 that total rose to 1,884 units, a 100% increase¹. This situation caused a decline in the market value of almost all commercial aircraft.

The wave of bankruptcies that followed 9-11 only made matters worse. The bankruptcies at Swissair, Sabena, Midway, US Airways, and others put many aircraft onto an already glutted market. The 737 “Classics”, along with other older technology jets such as the DC-9, L1011, older 747s and B727s series, were among the hardest hit in the initial months following 9/11.

Unable to predict when demand would return and, in an attempt to conserve capital, numerous airlines deferred or cancelled new aircraft orders, parked older aircraft, laid off employees, curtailed flying and reduced station activity. Boeing and Airbus did their best to manage their dramatically revised delivery schedules but were clearly impacted by the downturn. The reduction in demand left both manufacturers in a precarious situation, necessitating massive layoffs and substantial reductions in aircraft production rates.

¹ Jet Information Services, Year End 2001

Boeing, as well as some increasingly desperate operating lessors, pushed hard to replace older aircraft in the world’s operational fleet with newer aircraft types now left without a home.

While the manufacturers remained marginally profitable, the airlines continued to suffer substantial operating losses in the years 2002 to 2005. The following chart depicts the U.S. major carrier net losses for those years:

US Major Carrier Financials (In Millions of USD)				
Airlines	2002 Net Income	2003 Net Income	2004 Net Income	2005 Net Income
American	\$ (3,511)	\$ (1,228)	\$ (761)	\$ (861)
Delta	\$ (1,272)	\$ (773)	\$ (5,200)	\$ (3,800)
United	\$ 3,200	\$ (2,800)	\$ (1,600)	\$ (21,176)
Southwest	\$ 241	\$ 442	\$ 313	\$ 548
Northwest	\$ (798)	\$ 248	\$ (891)	\$ (2,600)
Continental	\$ (451)	\$ 38	\$ (363)	\$ (205)
US Airways	\$ (1,646)	\$ 1,461*	\$ (611)	\$ -(537)**

Source: The Airlines (20070110)

* Includes special items from 2003 restructuring.

**Merged with America West

In addition to the excess capacity and fare wars, airlines have faced skyrocketing fuel costs. The price of jet fuel has effectively doubled since 9-11 and although the price per barrel recently declined, there are no signs that the price of fuel will remain at current levels. Only the airlines with hedged fuel prices have been somewhat sheltered. Those airlines are led by Southwest and, to a



lesser degree: Alaska, United, and Jet Blue. As many experts believe the hedging strategy employed by these airlines will become less of a factor later this decade (2009) when their fuel hedges run out and oil remains above \$50 per barrel.² ACI views aircraft economics, and in particular, engine/aircraft fuel burn rates, among new production aircraft to be paramount.

The original low cost carrier, Southwest Airlines, expects to remain profitable and earned a better than expected profit of \$548mm for fiscal 2005. The results are reflective of their fuel hedging policy, without which they would have booked their first ever loss in 2005.

Thus far, American Airlines and Continental Airlines have both been able to hold off bankruptcy. Both carriers made significant inroads with sweeping cost reduction plans and fleet rationalization programs aimed at right-sizing their network systems. While both airlines appear ready to make a run at solid future profits, it is not clear if they can make those profits on a consistent basis, given the disadvantage of higher operating costs as compared to airlines that operate in, or have been through, bankruptcy. It is ACI's opinion that American or Continental will not hesitate to resort to bankruptcy should it be in their best interest to do so.

² Time, Global Business June 20, 2005.

With regard to the market for some specific aircraft types, ACI believes that the commercial aviation industry may be on the cusp of another downward trend in aircraft values. This conclusion is based upon (1) undiminished overcapacity at present, (2) the current airline restructuring and fleet rationalization programs, both in and out of bankruptcy, (3) the inability of the industry to absorb excess aircraft capacity, and (4) high fuel prices.

The current overcapacity within the domestic U.S. air transportation system was brought on by aggressive competition between legacy and Low Cost Carrier (LCC) airlines. While the current round of 'rightsizing' by the airlines has helped, overcapacity remains in many markets and is extending to the international sector which, up to now, has been a safe haven for high yields.

Another possible solution would be the liquidation of a large U.S. carrier. This "solution" may afford airlines the opportunity to increase their ticket prices resulting in higher margins.

The problem with this situation is that any dissolution or further fleet reductions will add to worldwide aircraft availability, with a commensurate reduction in aircraft values. Aircraft values will not begin to stabilize or increase until there is an increase in transportation demand of sufficient volume to warrant the absorption of excess aircraft supply. Accordingly,

aircraft types that find themselves the target of fleet realignment will lose value and may only recover with an overall increase in transportation demand over time. Certainly there may be a potential increase in aircraft demand driven by new start ups; however, historically this only leads to excess capacity and a reduction in margins.

Consideration should also be directed towards the demand for freighter services. Traditionally, this demand has been historically met by (1) the manufacture of freighter aircraft by the prime manufacturers and (2) the freighter conversions of existing passenger aircraft.

According to both Boeing and Airbus, the supply of freighter aircraft will be met primarily by the conversion of existing passenger aircraft. This may be one solution to the excess overcapacity but by no means an answer. At best, the freighter fleet requirements will absorb only a small percentage of the excess passenger aircraft oversupply. Passenger to freighter aircraft conversions are also driven by economics. The first economic condition is the proposed acquisition price of the passenger aircraft which must be low enough to accommodate the additional capital investment required to modify the aircraft. Additional considerations regarding passenger to freighter conversions include, but are not limited to, aircraft age, maximum take-off weight, and installed engine type. Accordingly, as aircraft values decline

and stay low, there may be some additional aircraft absorption by the freighter industry. This alone will not be a solution to excess passenger aircraft capacity but in ACI's opinion it must be a consideration in any value analysis.

On the bright side of the supply and demand equation, emerging markets in South America, Eastern Europe, the former Soviet Union and Asia (in particular India and China) have been quick to absorb newer aircraft variants and some older aircraft types as they become available. These markets, the result of long-delayed de-regulation, have the potential to become large consumers of new and used aircraft alike. This situation is not likely to slow down anytime soon. However, what is not clear is the ability of these markets to continue their current rate of growth. Historically, as these markets develop, they have tended to grow quickly over brief periods and not steadily over sustained periods. ACI suspects that the periods of growth are limited by infrastructure, capital, airline economics and government control.

The price of fuel is of substantial concern for all airlines. Traditionally, the largest operational costs for an airline were (in no particular order): maintenance, crew, insurance and fuel. For most airlines fuel is now at the top of the expense category. Ever increasing attention is now paid to fuel conservation. Fuel burn rates, advanced aerodynamics and efficient flight planning have become essential to all



airlines. Traditional economic factors leading to the retirement of some aircraft types included maintenance and new generation system improvements. Now fuel burn rates are at the top of the list and are becoming primary considerations in the design and development of newer, more efficient engines and airfoils. ACI does not see any reverse in this trend and believes it may accelerate given the current global political environment. ACI anticipates additional negative pressure on older, less economical aircraft over the long term.

Since 2004 the airline industry has significantly rebounded. Although several U.S. airlines are working their way through, or have recently exited bankruptcy, the demand for transportation services has significantly recovered.

During 2004, five U.S. main line carriers were operating under Chapter 11 bankruptcy protection and several others appeared to be on the brink.³ In that same year, the demand for transportation services experienced a strong recovery although profits for all of the airlines were not achieved.⁴

According to the FAA, U.S. commercial air carrier system capacity (domestic and International) grew by 7

³ Source: FAA 2005-2006 forecast. Airlines included Aloha Airlines, American Trans Air, Hawaiian, United Airlines and US Airways.

⁴ Source: FAA 2005-2006 Forecast.

percent in 2004 and commercial aircraft flights experienced a net gain of 3.7 percent. In 2004 the U.S. commercial air carrier system revenue passenger miles (RPMs) and passenger enplanements grew by 10.6 and 7.2 percent respectively. By the end of 2004, commercial RPMs exceeded pre 9-11 levels. Additionally, in 2004 air carriers achieved an all time high load factor of 75.2 percent.⁵ ACI believes that this milestone was the turning point for the U.S. aviation industry.

In 2005, passenger demand on U.S. airlines remained strong. System RPMs and enplanements grew at 8 and 7.1 percent respectively. The system wide load factors increased to an all time high of 77.1 percent. In spite of all this good news, profitability eluded most U.S. airlines in 2005 because of the high price of oil and falling yields.⁶

2005 saw continued growth within the regional and Low Cost Carriers' (LCCs) sector with the domestic market share of these operators growing another 2.2 percent to 45 percent of the total U.S. market share. As a comparison, these carriers represented only a 30 percent market share in 2000. The LCC market presence has forced the legacy carriers to cut costs and prices in markets served by both. These factors have been tough for the legacy carriers to navigate in an extremely competitive market.

⁵ Source: FAA 2005-2006 Forecast.

⁶ Source: FAA 2006-2017 Forecast



The following chart represents the U.S. Majors' financial performance through the third quarter 2006:

US Major Carrier Financials Net Income (In Millions of USD)			
Airlines	2006 1st Qtr	2006 2nd Qtr	2006 3rd Qtr
American	\$ (92)	\$ 291	\$ 15
Delta	\$ (2,100)	\$ (2,200)	\$ 52
United	\$ 2,300	\$ 119	\$ 190
Southwest	\$ 61	\$ 333	\$ 48
Northwest	\$ (1,100)	\$ (285)	\$ (1,200)
Continental	\$ (66)	\$ 198	\$ 237
US Airways	\$ 64	\$ 305	\$ (78)

Source: The Airlines (20070110)

NOTES:

1st Qtr Delta Net loss of \$356 million excluding reorganization and special items.

2nd Qtr Delta Net income of \$175 million excluding reorganization and special items.

3rd Qtr Delta Net loss of \$46 million excluding reorganization and special items.

1st Qtr United Net loss of \$306 million excluding reorganization and special items.

3rd Qtr United \$190mm is after tax - UAL reported after-tax net income of \$190 million. Excluding reorganization and special items, this constituted a year-over-year improvement of \$95 million.

The Air Transportation Association (ATA) is forecasting that the U.S. airline industry will record an aggregate net profit of \$2.00 to \$3.00 billion in 2006 and \$4.00 billion in 2007.⁷

Over the long run, the FAA expects significant market growth in aviation with only small gains in the short term. According to the FAA, the biggest hurdle for commercial aviation may be the price of oil.

⁷ Speednews January 2007.

Boeing also expects an annual average increase of 4.9 percent in passenger travel and a 6.1 percent increase in freight carried by air over the next 20 years.⁸

Airbus forecasts annual world passenger traffic growth rates of 4.8 percent and freighter traffic growth at 6.0 percent between 2006 and 2025. Airbus also believes the world fleet of commercial jet aircraft will grow from 17,153 (in 2005) to approximately 33,500 by 2025.⁹

Although ACI generally concurs with the above forecasts, should there be another aviation terrorist attack, a change in the world geopolitical situation (a larger or expansion of the current Gulf war or the start of another conflict in the Middle East) or a significant increase in the price of oil, the above forecasts may not accurately reflect aviation industry growth and expansion.

The Manufacturer: Boeing

Founded in Seattle, Washington in 1916, the Boeing Company began as the brainchild of William Boeing. Boeing, who had already made his fortune in trading forest land, used his substantial resources to learn to fly and design aircraft for a fledgling aviation industry. Over the next 9 decades, the

⁸ Boeing 2006 Current Market Outlook.

⁹ Airbus Global Market Forecast 2006 – 2025.



company built itself into the world's largest aerospace corporation.

Currently, the company is comprised of four major business segments: Integrated Defense Systems, the Boeing Commercial Airplane Group, Boeing Phantom Works and Boeing Capital Corporation. In addition, a fifth segment (the Shared Services Group) provides common shared services for the overall organization.

The Boeing Commercial Airplane Company is headquartered in Renton, Washington, and is responsible for the development and production of the company's family of commercial airliners. The dominant force in commercial aircraft for the past 50+ years, Boeing aircraft comprise approximately 75 percent of the world fleet with nearly 13,000 airframes in service.

The company currently produces its narrow-body 737NG, and Boeing Business Jet (a derivative of the 737) in Renton, Washington, and the wide-body 747, 767, 787 and 777 in Everett, Washington.

To counter Airbus's strong family of aircraft, Boeing announced plans in 2004 to develop the 787 Dreamliner. The Dreamliner aircraft, with plans for at least three variants, will place an emphasis on efficiency, higher speeds and modern manufacturing techniques. This strategy is in contrast

to its major competitor, Airbus Industries, which is well on its way to producing the giant A380 with seating of up to 555 passengers.

The 787 is truly an innovative aircraft. The aircraft is being manufactured using new, state-of-the art, manufacturing techniques which take advantage of lighter weight composites, more efficient engines, advanced systems and aerodynamic improvements. The first flight is scheduled in 2007 with entry into service projected in 2008. As of December 31, 2006, a total of 448 Boeing 787 aircraft have been ordered. ACI considers this number of orders to be significant.

The events of September 11, 2001, and its effect on the commercial airline industry, placed substantial negative financial pressure on Boeing Commercial Aircraft. The company's failure to keep pace with Airbus and the weakness of its traditional airline customers resulted in a shifting of focus toward defense and technology applications.

In the two years immediately following 9-11, Boeing announced layoffs totaling in excess of 30,000 employees. In addition to layoffs, the company reduced its production capacity and negotiated with its customers to delay/defer aircraft deliveries.

Since 2004 the company made a complete turnaround. Boeing recorded a

record year in 2006 with 1,044 commercial jet net orders from 76 customers. This number surpassed the previous Boeing record set in 2005 of 1,002 net orders.

In 2005 Boeing's revenues were \$54.80 billion dollars. Boeing's third quarter 2006 results showed revenue of \$14.70 billion and a backlog of approximately \$229 billion.

The Boeing 767 Aircraft

The Boeing 767 is a medium to long range twin turbo fan aircraft. The Boeing 767 program was launched in July of 1978 with initial construction beginning in July of 1979 and the first flight took place on September 26, 1981. Final certification, with General Electric and Pratt and Whitney engines, was granted in July and September of 1982 respectively.

The Boeing 767 is piloted by a two person flight crew and, depending upon configuration and model, can accommodate between 224 and 304 passengers.

The Boeing 767 fuselage is a semi-monocoque design with a standard Boeing empennage consisting of two horizontal stabilizers and a single vertical tail. The hydraulically controlled landing gear are tricycle type mounted on the forward and mid lower fuselage.

The Boeing 767 series aircraft is powered by two high-bypass turbo fan engines. Basically, there are three engine manufacturer choices: the General Electric CF6 engines, the Pratt and Whitney JT9D, or the Pratt and Whitney 4000 series. Since 1990, Rolls Royce has offered its RB211-534 engine to power the 767. A fleet breakout by installed engine type is provided below:

Engine Manuf.	Engine Type	No. of 767 Aircraft Engines Installed	Percent of 767 Aircraft Fleet
General Electric	CF6-80C	596	64%
Pratt and Whitney	JT9D	83	9%
Pratt and Whitney	PW 4000	209	23%
Rolls Royce	RB211	31	3%

Source: AvSoft^{1st} QTR 2007

Note: Percentages Rounded.

The specific installed engine type is dependent upon aircraft series, operator preference, and mission profile. The aircraft that is the subject of this appraisal is powered by Pratt & Whitney PW4000 engines.

Boeing 767 systems include dual air conditioning air cycle machines, two engine driven electrical generators, and one generator mounted on the Auxiliary Power Unit (APU) for ground and in flight use. The 767 has three hydraulic systems with power supplied from two engine driven pumps or a third bleed air power pump from the APU. There is an

additional hydraulic motor-driven electrical generator installed on the 767-200ER and -300ER aircraft types in order to comply with extended overwater operations (ETOPS) requirements. This additional hydraulic motor-driven generator can be installed as an option on the 767-200 and 300 (non-ER) aircraft. The 767's APU is installed in the empennage tailcone.

The Boeing 767 series basically consists of five different models: the 767-200, 767-200ER, 767-300, 767-300ER and the 767-400ER. The different aircraft models are basically a function of physical size, operating weights, and range.¹⁰ A sixth 767 aircraft type recognized by ACI is the Boeing 767-300 freighter.

The first Boeing 767, a 767-200, was delivered to United Air Lines in August of 1982. The first Boeing 767-200ER was delivered to El Al March 26, 1984. The 767-200ER aircraft was delivered with increased maximum gross take-off weights starting at 335,000 pounds. The 767-300 aircraft was first delivered to Japan Airlines in September of 1986 and the 767-300ER was first delivered to American Airlines in February of 1988. The first Boeing 767-400ER was delivered to Delta Air Lines in August of 2000.

¹⁰ Please see the appendix of this report for a listing of 767 aircraft and their operating weights.

As follow-on to the Boeing 767-200ER the 767-300 series aircraft was introduced in 1986. One of the most noticeable differences from the 767-200 series are the two fuselage "plugs" inserted forward and aft of the center wing section. The Boeing 767-300 is 21 feet and 1 inch longer than the 767-200. The 767-300 is 180 feet 3 inches in length, has a wing-span of 156 feet 1 inch and an empennage height of 52 feet.

In addition to the above, the 767-300 series has a 10 foot 1 inch larger wheel base than the 767-200 series. The 767-300 aircraft series also has an "ER" version. As with the 767-200 series, the 767-300ER has similar dimensions to the basic 767-300 but the aircraft structure of the 767-300ER is strengthened to accommodate higher operating weights and more fuel.



Current and Future Half-Time Values

Customer:	Your Company
Date:	Today
Aircraft Type:	Boeing 767-300ER
Serial Number:	12345
Construction Year:	1800
Configuration:	Passenger
Engine Type:	PW-4000
Appraisal Reference Number:	YC-2012
Inflation Rate:	2.50%

MARKET VALUES:

Year	Age Years	Term Years	High 2007	Expected 2007	Low 2007	Distress 2007	High Inflated \$	Expected Inflated \$	Low Inflated \$	Distress Inflated \$
2007	207	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2008	208	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2009	209	2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2010	210	3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2011	211	4	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2012	212	5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Notes and Assumptions:

1. The above future values are expressed in millions of U.S. dollars and assume that the aircraft, and all of its major components, will be in a "half time" condition as determined by the then-current maintenance program and TBOs for the respective component. Half-Time means that half of the flying hours and/or cycles between major maintenance events on the airframe, engines and other components are available to be flown.
2. All F.A.A. Airworthiness Directives have been complied with during the term of the financing.
3. The aircraft is valued on a "highest and best use" basis.
4. The aircraft currently has, or is capable of receiving, a valid US Certificate of Airworthiness.
5. ACI has not physically inspected this aircraft.
6. The above values are based upon information provided by the operator.



Value Adjustments

Once the half-time values are determined, ACI applies maintenance value adjustments to the airframe, landing gear and engines.

These maintenance value adjustments are necessary to accurately reflect the adjusted value of the subject aircraft given their specific airframe, engine and landing gear maintenance status.

These maintenance value adjustments are found on the following page.



Value Adjustments from Half-Time

Aircraft Type:	Boeing 767-300ER
Date Of Manufacture:	Dec-04
Aircraft Serial Number:	12345
Registration Number:	abc-def
Engines:	PW-4000
Date:	Today
Current Half-Time Value:	\$0.00
Appraisal Number:	YC-2012Adj

Component Action	TBO	Cost	Remaining	% Remaining	1/2 Life Delta	Value Adjustment
C Check	18 Months	\$0.65	9 Months	50%	0%	\$0.00
HMV Check	72 Months	\$1.40	36 Months	50%	0%	\$0.00
Nose Gear	15,000 Cycles	\$0.07	7,500 Cycles	50%	0%	\$0.00
Left Main Landing Gear	15,000 Cycles	\$0.07	7,500 Cycles	50%	0%	\$0.00
Right Main Landing Gear	15,000 Cycles	\$0.07	7,500 Cycles	50%	0%	\$0.00
Engine #1 S/N 123456	15,000 Hours	\$2.95	7,500 Hours	50%	0%	\$0.00
Engine #2 S/N 234567	15,000 Hours	\$2.95	7,500 Hours	50%	0%	\$0.00
					Total \$	\$0.00

Adjusted Market Value	
Current Half-Time Value	\$0.00
Total Adjustment	\$0.00
Adjusted Value	\$0.00

NOTES:

- (1) Values Expressed In Millions Of US Dollars
- (2) ACI assumes that a C check will be accomplished.
- (3) ACI assumes that a 4C check was accomplished.
- (4) Engine TBO reflects average time on wing and may not reflect LLP status.
- (5) ACI assumes that engine S/N123456 will have the XXXX replaced on-wing.
- (6) Landing gear cycles based upon historical average use.



STATEMENT OF INDEPENDENCE

This report represents the opinion of ACI Aviation Consulting (ACI) and is advisory only. This report is subject to additional information that may be developed or provided at the request of the client. ACI assumes no responsibility or legal liability for actions taken or not taken by the client or any other party with regard to the subject aircraft values. By accepting this report, the client agrees that ACI shall bear no responsibility or legal liability regarding this report. Further, this report is prepared for the exclusive use of the client and shall not be provided to other parties without the client's consent.

ACI hereby states that this desktop valuation report has been independently prepared and fairly represents ACI's opinion of the aircraft values set forth herein.

ACI further states, that it has no present or contemplated future interest in or association with, the subject aircraft.

Signed,

Quentin Brasie
Chairman & CEO
ACI Aviation Consulting

METHODOLOGY

When conducting its assessments of aircraft value, ACI uses as its primary determinant reported transaction prices from the period in question. These transaction values are extracted from numerous public and private sources.

In absence of reliable transaction data, ACI places an asset into a specific category based upon asset mission capability and revenue potential.

The categorization of assets allows ACI to determine value based upon comparisons of other assets that fall into the same category.

It is not unreasonable to assume a similar value for assets having similar mission and revenue profiles. ACI also considers a multitude of other industry factors such as: aircraft economics, model popularity, operator base, population, reliability data, and manufacturer reputation.

Once ACI has determined the current value, value adjustments may be required to accurately reflect the maintenance status of the aircraft, its engines, and major components. These value adjustments are calculated from half-time.