



U.S.\$1,020,823,000
2015-1 Pass Through Trusts
Pass Through Certificates, Series 2015-1

Two classes of the LATAM Pass Through Certificates, Series 2015-1, are being offered under this offering memorandum: Class A and Class B (collectively, the “**Certificates**”). One or more additional junior classes of LATAM Pass Through Certificates, Series 2015-1, including a Series 2015-1, Class C, may be offered on or after the date of this offering memorandum. Class C certificates are not being offered under this offering memorandum. A separate trust (each, a “**Trust**”) will be established for each class of Certificates that is issued. This offering is being made in connection with the financing of eleven new Airbus A321-200 aircraft, two new Airbus A350-900 aircraft and four new Boeing 787-9 aircraft (collectively, the “**Aircraft**”) scheduled to be delivered from July 2015 to March 2016. The proceeds from the sale of the Certificates will initially be held in escrow. The Trusts will use the escrowed funds to acquire equipment notes (the “**Equipment Notes**”) to be issued by four separate issuers (the “**Owners**”), each of which is wholly-owned by LATAM Airlines Group S.A. (“**LATAM**”). Proceeds from the sale of the Equipment Notes for an Aircraft will be used by the applicable Owner to fund the acquisition of such Aircraft, and each Aircraft will be leased by the applicable Owner to LATAM under a separate finance lease agreement (each, a “**Lease**”). Payments under each Lease will be used to make payments on the related equipment notes held in each Trust, which payments will be passed through to the holders of the Certificates of such Trust. See “*Use of Proceeds*” in this offering memorandum.

Interest on the Equipment Notes will be payable quarterly on February 15, May 15, August 15 and November 15 each year after issuance, commencing on August 15, 2015. Principal payments on the equipment notes will be payable quarterly on February 15, May 15, August 15 and November 15 of each year, commencing on May 15, 2016.

The Class A Certificates will rank generally senior to the other Certificates. The Class B Certificates will rank generally junior to the Class A Certificates and will rank generally senior to any class of additional junior certificates, including the Class C Certificates, if issued. Any additional junior class of certificates, including the Class C Certificates, if issued, will rank generally junior to the other Certificates.

Natixis, acting through its New York Branch, will provide a liquidity facility for each of the Class A and Class B Certificates, in each case in an amount sufficient to make seven consecutive quarterly interest payments on the related class of Certificates. Any additional junior class of certificates, including the Class C Certificates, if issued, will not have the benefit of a liquidity facility.

The Certificates will not be listed on any securities exchange.

Investing in the Certificates involves a high degree of risk. See “*Risk Factors*” in this offering memorandum.

Pass Through Certificates	Face Amount	Interest Rate	Final Expected Distribution Date	Price to Public ⁽¹⁾
Class A	U.S.\$845,213,000	4.200%	November 15, 2027	100.0%
Class B	U.S.\$175,610,000	4.500%	November 15, 2023	100.0%

(1) Plus accrued interest, if any, from the date of issuance.

The Initial Purchasers (as defined herein) will purchase all of the Class A and Class B Certificates if any are purchased. The Initial Purchasers expect to deliver the Class A and Class B Certificates to purchasers through the facilities of The Depository Trust Company (“**DTC**”) and its direct and indirect participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*, against payment on or about May 29, 2015.

The Certificates have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any other jurisdiction. Accordingly, the Certificates are being offered and sold only to persons reasonably believed to be qualified institutional buyers in reliance on Rule 144A under the Securities Act (“**Rule 144A**”) and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”). Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

We will enter into a registration rights agreement with respect to the Certificates pursuant to which we will agree to file a registration statement with the United States Securities and Exchange Commission with respect to an exchange offer of the Certificates or resales of the Certificates. For a description of the registration rights agreement, see “*Exchange Offer; Registration Rights*.”

Sole Structuring Agent, Global Coordinator and Lead Bookrunner

Citigroup

Joint Bookrunners

Deutsche Bank Securities

Natixis

J.P. Morgan

May 14, 2015

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You should rely only on the information contained in this offering memorandum. None of LATAM, any Trust or any Initial Purchaser (as defined herein) has authorized any person (including any dealer, salesman or broker) to provide you with any information or represent anything about LATAM or the Trusts or this offering that is not contained or incorporated by reference in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by LATAM, the Trusts or the Initial Purchasers referred to below. You should assume that the information contained in this offering memorandum is accurate only as of the date hereof or as of the date the information is otherwise stated to be provided and is subject to change, completion or amendment without notice.

This offering memorandum is being provided on a confidential basis (1) to “qualified institutional buyers” as defined in Rule 144A under the Securities Act for informational use solely in connection with their consideration of the purchase of the Certificates and (2) in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act. You are authorized to use this offering memorandum solely for the purpose of considering the purchase of the Certificates described in the offering memorandum.

Citigroup Global Markets Inc., Deutsche Bank Securities Inc., J.P. Morgan Securities LLC and Natixis Securities Americas LLC (collectively, the “Initial Purchasers”) make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers. You may not reproduce or distribute this offering memorandum, in whole or in part, and you may not disclose any of the contents of this offering memorandum or use any information herein for any purpose other than considering the purchase of the Certificates. You agree to the foregoing by accepting delivery of this offering memorandum.

In accordance with Article 405 of Regulation (EU) No. 575/2013 and Article 51 of Regulation (EU) No. 231/2013 (which, in each case, does not take into account any corresponding national measures) certain entities may acquire the credit risk of a securitisation if the originator, sponsor or original lender thereof has explicitly disclosed that it will retain, on an on-going basis, a material net economic interest in the securitisation of not less than 5% (the “**Risk Retention Requirement**”).

LATAM has considered, and obtained legal advice as to, the applicability of the Risk Retention Requirement to this offering and, on balance, is of the view that an investment in the Certificates should not constitute a “securitisation position” due to, among other things, its payment obligations under the Leases. LATAM does not therefore consider that the Risk Retention Requirement should apply to investments in the Certificates.

However, investors should be aware that the regulatory capital treatment of any investment in the Certificates will be determined by the investor’s regulator and the relevant provisions of national law. Although market participants have, in consultations relating to the Risk Retention Requirement, requested guidance on the structures captured by the definitions, no definitive guidance has been forthcoming. Therefore some uncertainty remains as to which structures would be considered to be “securitisations”.

Investors in the Certificates are responsible for analyzing their own regulatory position and should not rely on LATAM’s interpretation set out above. Investors should consult their regulator should they require guidance in relation to the regulatory capital treatment that their regulator would apply to an investment in the Certificates.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED (“RSA 421-B”), WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS

LATAM is furnishing this offering memorandum on a confidential basis in connection with an offering that is exempt from registration under, or not subject to, the United States Securities Act of 1933, as amended (the “**Securities Act**”), and applicable state securities laws solely to allow a prospective, qualified investor to consider purchasing the Certificates. Delivery of this offering memorandum to any other person or any reproduction of the offering memorandum, in whole or in part, without the prior consent of LATAM and the Initial Purchasers, is prohibited. The information contained in this offering memorandum has been provided by LATAM and other sources identified in this offering memorandum.

The Certificates described in this offering memorandum have not been registered with, recommended by or approved by the United States Securities and Exchange Commission (the “SEC”), or any other federal, state or foreign securities commission or regulatory authority, nor has the SEC or any such state or foreign securities commission or authority passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

We have agreed to file a registration statement with the SEC with respect to an exchange offer for the Certificates or a shelf registration with respect to resales of the Certificates. See “*Exchange Offer; Registration Rights.*” In the course of review by the SEC of the registration statement, we may be required or we may elect to make changes to the information contained in this offering memorandum, including the description of our business, financial statements and other financial or other information. We believe that the financial data and other information included in this offering memorandum have been prepared in a manner that complies, in all material respects, with regulations published by the SEC and with International Financial Reporting Standards as issued by the International Accounting Standards Board. However, comments by the SEC on the registration statement may require significant modification, deletion or reformulation of the financial data and other information presented in this offering memorandum to comply with the regulations published by the SEC. Moreover, comments by the SEC on financial data included in a registration statement for an exchange offer or in connection with a shelf registration required by the Registration Rights Agreements may require significant modification, deletion or reformulation of financial data and other information presented in this offering memorandum. Any such modification or reformulation may be significant.

You must comply with all applicable laws and regulations in connection with the distribution of this offering memorandum and the offer or sale of the Certificates. See “*Transfer Restrictions.*” You are not to construe the contents of this offering memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of a purchase of the Certificates. None of LATAM, the Trusts or the Initial Purchasers are making any representation to you regarding the legality of an investment in the Certificates by you under applicable laws. In making an investment decision regarding the Certificates offered by this offering memorandum, you must rely on your own examination of LATAM and the Trusts and the terms of this offering (the “**Offering**”), including, without limitation, the merits and risks involved. This offering is being made on the basis of this offering memorandum. Any decision to purchase Certificates in this offering must be based solely on the information contained in this offering memorandum. This offering memorandum is being provided on a confidential basis (1) to qualified institutional buyers (“**QIBs**”) in reliance on Rule 144A under the Securities Act and (2) to non-U.S. Persons in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case, for informational use solely in connection with their consideration of the purchase of the Certificates.

We expect that delivery of the Certificates will be made against payment therefor on or about May 29, 2015, which will be the tenth business day following the date of pricing of the Certificates (such settlement cycle being herein referred to as “**T+10**”). Under Rule 15c6-1 under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Certificates on a day prior to the third business day before the date of initial delivery of the Certificates will be required, by virtue of the fact that the Certificates initially will settle T+10, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Certificates who wish to trade Certificates during the period described above should consult their own adviser.

This offering memorandum contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained in those documents, as indicated under “*Where You Can Find Additional Information*”. All summaries are qualified in their entirety by this reference.

In making your investment decision, you will be deemed to have made certain acknowledgements, representations and agreements as set forth in this offering memorandum under the caption “*Transfer Restrictions*”. The Certificates are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state and foreign securities laws pursuant to registration or exemption therefrom. See “*Transfer Restrictions*”. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

No person is authorized in connection with any offering made by this offering memorandum to give any information or to make any representation not contained in this offering memorandum, and, if given or made, any other information or representation must not be relied upon as having been authorized by LATAM, the Trusts or the Initial Purchasers. The information contained in this offering memorandum is as of the date hereof or as of the date it is otherwise stated to be provided, and is subject to change, completion or amendment without notice. Neither the delivery of this offering memorandum at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering memorandum or in LATAM’s affairs since the date hereof

LATAM reserves the right to withdraw this offering at any time. This offering is subject to the terms described in this offering memorandum and the pass through trust agreements relating to the Certificates.

This offering memorandum does not constitute an offer to sell the Certificates to, or a solicitation of an offer to buy the Certificates from, any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

The distribution of this offering memorandum and the offer and sale of the Certificates may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum or any of the Certificates come must inform themselves about, and observe, any such restrictions. You must comply with all applicable laws and regulations (including obtaining required consents, approvals and permissions) in any jurisdiction in which you possess or distribute this offering memorandum or in which you purchase, offer or sell the Certificates. None of LATAM, the Trusts or the Initial Purchasers have any responsibility therefor. See “*Transfer Restrictions*”.

This offering memorandum and any other material in relation to the Certificates described herein are only being distributed (i) to and are only directed at persons who are outside the United Kingdom, (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) to high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2) (a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). The Certificates are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Certificates will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Certificates will be available in book-entry form only. We expect that the Certificates sold pursuant to this offering memorandum will be issued in the form of one or more global certificates, which will be deposited with, or on behalf of, DTC, and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates will be shown on and transfers of the global certificates will be effected only through records maintained by DTC and its participants. After the initial issuance of the global certificates, Certificates in certificated form will be issued in exchange for the global certificates only as set forth in the pass through trust agreement governing the Certificates.

In connection with this offering, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the Certificates at levels that might not otherwise prevail in the open market. This stabilizing, if commenced, may be discontinued at any time.

NOTICE TO INVESTORS IN CHILE

The offer of the Certificates is subject to General Rule No. 336 of the SVS. The Certificates being offered will not be registered under the Securities Market Law in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS and, therefore, the Certificates are not subject to the supervision of the SVS. As unregistered securities, we are not required to disclose public information about the Certificates in Chile. Accordingly, the Certificates cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding securities registry. The Certificates may only be offered in Chile in circumstances that do not constitute a public offering under Chilean law or in compliance with General Rule No. 336 of the SVS. Pursuant to General Rule No. 336, the Certificates may be privately offered in Chile to certain “qualified investors” identified as such therein (which in turn are further described in General Rule No. 216, dated June 12, 2008, of the SVS).

La oferta de los certificados se acoge a la Norma de Carácter General N°336 de la SVS. Los certificados que se ofrecen no están inscritos bajo la Ley de Mercado de Valores en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Los certificados no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente. Los certificados solo podrán ser ofrecidos en Chile en circunstancias que no constituyan una oferta pública o cumpliendo con lo dispuesto en la Norma de Carácter General N°336 de la SVS. En conformidad con lo dispuesto por la Norma de Carácter General N°336, los certificados podrán ser ofrecidos privadamente a ciertos “inversionistas calificados,” identificados como tal en dicha norma (y que a su vez están descritos en la Norma de Carácter General N°216 de la SVS de fecha 12 de junio de 2008).

NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

This offering memorandum has been prepared on the basis that all offers of Certificates will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of securities. Accordingly, any person making or intending to make any offer within the EEA of Certificates, which are the subject of the offering contemplated in this offering memorandum, should only do so in circumstances in which no obligation arises for LATAM or the Initial Purchasers to produce a prospectus for such offer. Neither LATAM nor the Initial Purchasers has authorized, nor do they authorize, the making of any offer of Certificates through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of Certificates contemplated in this offering memorandum.

In relation to each Member State of the EEA that has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Certificates that are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

- (a) to any legal entity which is qualified 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 relevant Initial Purchaser or Initial Purchasers nominated by LATAM 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 Certificates shall require LATAM or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Certificates to the public” in relation to any Certificates 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 the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 Prospectus Directive 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 Prospectus Directive Amending Directive**” means Directive 2010/73/EU.

CERTAIN VOLCKER RULE CONSIDERATIONS

The Trusts and the Owners are not now, and immediately following the issuance of the Certificates pursuant to the Trust Agreement will not be, “covered funds” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the “**Volcker Rule**”. In reaching this conclusion, although other statutory or regulatory exemptions under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”), may be available, the Trusts are relying on the exemption from registration set forth in Section 3(c)(5) under the Investment Company Act, and the Owners are relying on the determination that they do not come within the definition of “investment company” under Section 3(a)(1)(C) under the Investment Company Act.

ENFORCEMENT OF JUDGMENTS

We are a publicly held corporation organized under the laws of Chile. None of our directors or executive officers are residents of the United States and all or a substantial portion of our assets and the assets of these persons are located outside the United States. As a result, except as explained below, it may not be possible for investors to effect service of process within the United States upon such persons, or to enforce against them or us in United States courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States or otherwise obtained in U.S. courts.

No treaty exists between the United States and Chile for the reciprocal enforcement of judgments. Chilean courts, however, have enforced final judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, subject to the review in Chile of the U.S. judgment in order to ascertain whether certain basic principles of due process and public policy have been respected without reviewing the merits of the subject matter of the case. If a United States court grants a final judgment in an action based on the civil liability provisions of the federal securities laws of the United States, enforceability of this judgment in Chile will be subject to the obtaining of the relevant “*exequatur*” (i.e., recognition and enforcement of the foreign judgment) according to Chilean civil procedure law in force at that time, and consequently, subject to the satisfaction of certain factors. Currently, the most important of these factors are:

- the existence of reciprocity;
- the absence of any conflict between the foreign judgment and Chilean laws (excluding for this purpose the laws of civil procedure) and public policies;
- the absence of a conflicting judgment by a Chilean court relating to the same parties and arising from the same facts and circumstances;
- the absence of any further means for appeal or review of the judgment in the jurisdiction where judgment was rendered;
- the Chilean courts’ determination that the United States courts had jurisdiction;
- that service of process was appropriately served on the defendant and that the defendant was afforded a real opportunity to appear before the court and defend its case; and
- that enforcement would not violate Chilean public policy.

In general, the enforceability in Chile of final judgments of United States courts does not require retrial in Chile but a review of certain relevant legal considerations (*i.e.*, principles of due process and public policy). However, there is doubt:

- as to the enforceability in original actions in Chilean courts of liabilities predicated solely on the United States federal securities laws; and
- as to the enforceability in Chilean courts of judgments of United States courts obtained in actions predicated solely upon the civil liability provisions of the federal securities laws of the United States.

In addition, foreign judgments cannot be enforced in any way against properties located in Chile, which, as a matter of Chilean law, are subject exclusively to Chilean law and to the jurisdiction of Chilean courts.

LATAM has appointed Law Debenture Corporate Services Inc. as its authorized agent upon which service of process may be served in any action which may be instituted against LATAM in any United States federal or state court having subject matter jurisdiction in the State of New York, County of New York arising out of or based upon the Certificates, the Equipment Notes, the Note Purchase Agreement, the Leases or the other operative documents to which LATAM is a party in connection with this offering.

LATAM has been advised by its Cayman Islands legal counsel, Maples and Calder, that the courts of the Cayman Islands are unlikely (i) to recognise or enforce against the Owners judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any state thereof and (ii) in original actions brought in the Cayman Islands, to impose liabilities against the Owners predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognise and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

PRESENTATION OF INFORMATION

Presentation of Financial Information

In this offering memorandum, unless the context otherwise requires, references to “**LATAM Airlines Group**” is to LATAM Airlines Group S.A., the unconsolidated operating entity, and references to “**LATAM**,” “**we**,” “**us**” or the “**Company**” are to LATAM Airlines Group S.A. and its consolidated subsidiaries. All references to “**Chile**” are references to the Republic of Chile. Unless we specify otherwise, all references to “**\$**,” “**U.S. \$**,” “**U.S. dollars**” or “**dollars**” are to United States dollars, references to “**pesos**,” “**Chilean pesos**” or “**Ch\$**” are to Chilean pesos, references to “**reais**,” “**Brazilian reais**,” or “**R\$**” are to Brazilian reais, and references to “**UF**” are to *Unidades de Fomento*, a daily indexed Chilean peso-denominated monetary unit that takes into account the effect of the Chilean inflation rate.

On June 22, 2012, LATAM Airlines Group was formed following the completion of the business combination between LAN Airlines S.A. and its consolidated subsidiaries (“**LAN**”) with TAM S.A. and its consolidated subsidiaries (“**TAM**”). Following the combination, LAN Airlines S.A. became “LATAM Airlines Group S.A.” and TAM continues to exist as a subsidiary of Holdco I S.A. (“**Holdco I**”) and as a subsidiary of LATAM Airlines Group. LATAM Airlines Group owns 100% of the non-voting shares of Holdco I and 19.42% of the voting shares, with the remaining 80.58% of the voting shares held by the TAM Controlling Shareholders. LATAM’s consolidated financial statements for the year ended December 31, 2012 include TAM’s financial results from June 23, 2012. As LATAM Airlines Group is the owner of substantially all the economic rights in TAM, TAM and its consolidated subsidiaries are treated as being subsidiaries of LATAM Airlines Group for the purposes of LATAM’s consolidated financial statements.

In this offering memorandum, unless the context otherwise requires, references to “**LAN**” are to LAN Airlines S.A., currently known as LATAM Airlines Group S.A., and its consolidated subsidiaries, in connection with circumstances and facts occurring prior to June 22, 2012. In this offering memorandum, unless the context otherwise requires, references to “**TAM**” are to TAM S.A. and its consolidated subsidiaries. A list of the consolidated operating subsidiaries of LATAM, and other terms that may be unfamiliar to some readers, is found in the glossary included in this offering memorandum.

The consolidated financial statements of LATAM for the years ended December 31, 2014, 2013 and 2012, which are incorporated by reference in this offering memorandum, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”).

Exchange Rates and Certain Reference Rates

This offering memorandum contains conversions of certain Chilean peso amounts into U.S. dollar amounts at specified rates solely for the convenience of the reader. These conversions should not be construed as representations that the Chilean peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless we indicate otherwise, the U.S. dollar equivalent for information in Chilean pesos is based on the “*dólar observado*” (the “**Observed Exchange Rate**”) on December 31, 2014, which was Ch\$607.38 = U.S. \$1.00. The Observed Exchange Rate for pesos on May 8, 2015, was Ch\$610.61 = U.S. \$1.00. Unless we indicate otherwise, the U.S. dollar equivalent for information in Brazilian reais is based on the “*dólar observado*” or “observed” exchange rate published by the Central Bank of Brazil on December 31, 2014, which was R\$2.656 = U.S. \$1.00. The observed exchange rate for reais on May 8, 2015, was R\$2.996 = U.S. \$1.00. The Federal Reserve Bank of New York does not report a noon buying rate for Chilean pesos or Brazilian reais.

LATAM Airlines Group and the majority of our subsidiaries maintain their accounting records and prepare their financial statements in U.S. dollars under IFRS. Some of our other subsidiaries, however, maintain their accounting records and prepare their financial statements in Chilean pesos, Argentinean pesos, Colombian pesos or Brazilian reais. In particular, TAM maintains its accounting records and prepares its financial statements in Brazilian reais. Our audited consolidated financial statements include the results of these subsidiaries translated into U.S. dollars. IFRS requires assets and liabilities to be translated at period-end exchange rates, while revenue and expense accounts are translated at each transaction date, although a monthly rate may also be used if exchange rates do not vary significantly.

Non-IFRS Financial Measures

In addition to our financial information that has been prepared and presented in accordance with IFRS, this offering memorandum includes certain “non-GAAP financial measures” (as defined in Regulation G under the Securities Act). These measures include:

- Adjusted EBITDAR, which consists of net income/(loss) for the period before income taxes and financial costs and financial income, plus depreciation and amortization expense, plus aircraft rentals expense, as further adjusted to add back the effect of other gains and losses, and to deduct equity accounted earnings, exchange rate differences and the result of indexation units;
- Adjusted EBITDAR margin, which is calculated by dividing Adjusted EBITDAR by the sum of our passenger revenues, cargo revenues and other operating income;

We believe that Adjusted EBITDAR provides a useful supplemental measure to examine the underlying performance of the business, and LATAM’s management considers this metric in measuring its operating performance. Adjusted EBITDAR should not, however, be considered in isolation or as a substitute for net income, operating revenues, cash flows from operating activities or any other measure of financial performance presented in accordance with IFRS or as a measure of our profitability or liquidity. Adjusted EBITDAR as presented by LATAM may exclude some but not all items that affect net income, and may not be comparable to similar measures presented by other companies. For a detailed reconciliation of Adjusted EBITDAR to net income and the calculation of Adjusted EBITDAR margin, see “*Summary*.” We believe that the inclusion of these measures in this offering memorandum is appropriate to provide holders of our notes with additional information about our operating performance, but you should not rely solely on such measures and you should read them together with our audited consolidated financial statements contained or incorporated by reference in this offering memorandum and the operating data and financial information contained herein.

We provide information regarding EBITDAR in press releases containing our quarterly and annual earnings reports that is calculated on a basis that is different from the calculation of Adjusted EBITDAR used in this offering memorandum. The differences between EBITDAR as presented in our earnings reports and Adjusted EBITDAR as presented in this offering memorandum are immaterial.

Industry Data

Unless otherwise indicated, all industry data and statistics included in this offering memorandum are estimates or forecasts contained in or derived from industry sources that we believe to be reliable. Industry data and statistics are inherently predictive and are not necessarily reflective of actual market conditions, and we have not independently verified such data. Such statistics may be based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products (e.g., aircraft type) and transactions should be included in the relevant markets. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods, (iii) the underlying information is based on a mix of public and privately obtained information, and (iv) different assumptions were used in compiling the data.

Market statistics included in this offering memorandum should be viewed with caution, and no representation or warranty is given by any person, including LATAM or any initial purchaser, as to their accuracy or completeness, or the assumptions relied upon therein.

Rounding

We have rounded percentages and certain U.S. dollar, Chilean peso and Brazilian reais amounts contained in this offering memorandum for ease of presentation. Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

GLOSSARY

The following terms, as used in this offering memorandum, have the meanings set forth below.

Capacity Measurements:

“available seat kilometers” or “ASKs”	The number of seats made available for sale multiplied by the kilometers flown.
“revenue passenger kilometers” or “RPKs”	The number of passengers multiplied by the number of kilometers flown.
“Passenger Load Factor”	RPKs expressed as a percentage of ASKs.
“Yield based on RPKs”	Revenue from passenger operations divided by RPKs.
“available ton kilometers” or “ATKs”	The number of tons available for the transportation of revenue load (cargo) multiplied by the kilometers flown.
“revenue ton kilometers” or “RTKs”	The load (cargo) in tons multiplied by kilometers flown.
“Cargo Load Factor”	RTKs (cargo) expressed as a percentage of ATKs (cargo).
“Yield based on RTKs”	Revenue from cargo operations divided by RTKs.
“available seat kilometers equivalent” or “ASK equivalent”	The number of seats made available for sale plus the quotient of ATKs divided by 0.095, all multiplied by the kilometers flown.

Other:

“Airbus A320-Family Aircraft”	The Airbus A318, Airbus A319, Airbus A320 and Airbus A321 models of aircraft.
“operating expenses”	Operating expenses comprise the sum of the line items “cost of sales” plus “distribution costs” plus “administrative expenses” plus “other expenses”, as shown on our consolidated statement of income by function.

Consolidated Operating Subsidiaries of LATAM:

“ABSA”	Aerolinhas Brasileiras S.A., incorporated in Brazil.
“LAN Argentina”	LAN Argentina S.A., incorporated in Argentina.
“LAN Cargo”	LAN Cargo S.A., incorporated in Chile.
“LAN Colombia”	Aerovías de Integración Regional, Aires S.A., incorporated in Colombia.
“LAN Ecuador”	Aerolane, Líneas Aéreas Nacionales del Ecuador S.A., incorporated in Ecuador.
“LAN Express”	Transporte Aéreo S.A., incorporated in Chile.
“LAN Peru”	LAN Perú S.A., incorporated in Peru.
“LANCO”	Linea Aerea Carguera de Colombia S.A., incorporated in Colombia.

“MasAir”	Aero Transportes Mas de Carga S.A. de C.V., incorporated in Mexico.
“Multiplus”	Multiplus S.A., a publicly traded company incorporated in Brazil, in which TAM owns 72.87% of the ordinary shares.
“TAM”	Tam S.A., incorporated in Brazil.
“TLA”	TAM Linhas Aéreas S.A., incorporated in Brazil, in which TAM owns 100% of the ordinary shares.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We are “incorporating by reference” information into this offering memorandum, which means that we can disclose important information to you without actually including the specific information in this offering memorandum by referring you to other documents filed separately with the SEC. The information incorporated by reference is an important part of this offering memorandum. Information that we later provide to the SEC, and which is deemed to be “filed” with the SEC, automatically will update information previously filed with the SEC, and may replace information in this offering memorandum.

We are incorporating by reference into this offering memorandum our Annual Report on Form 20-F for the year ended December 31, 2014 (SEC File No. 001-14728) (our “**Form 20-F**”) and our consolidated financial statements on Form 6-K for our fiscal quarters ended March 31, 2015 and March 31, 2014, filed on May 15, 2015, to the extent prepared in accordance with IFRS, but not any financial statements or information included therein that is identified as being prepared on a basis other than IFRS.

We also incorporate by reference into this offering memorandum additional documents that we may file with the SEC under the Exchange Act from the date of this offering memorandum until we have sold all of the securities to which this offering memorandum relates or the offering is otherwise terminated; *provided, however* that we are not incorporating any information furnished but not filed under any Report on Form 6-K.

Except as specifically incorporated by reference above, none of our current or future reports filed or furnished with or to the SEC are incorporated by reference herein.

You may request a copy of any and all of the information that has been incorporated by reference in this offering memorandum and that has not been delivered with this offering memorandum, at no cost, by writing us at Presidente Riesco 5711, 20th Floor, Las Condes, Santiago, Chile or by telephoning us at (56-2) 2565-2525.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we are required to file or furnish reports, including annual reports on Form 20-F, and other information with or to the SEC. We are required to file our annual report on Form 20-F within 120 days after the end of each fiscal year. All information filed or furnished with or to the SEC can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1 (800) SEC-0330 for further information on the operation of the public reference rooms. You may also obtain additional information over the Internet at the SEC's website at www.sec.gov.

Except as specifically incorporated by reference under "*Incorporation of Certain Information by Reference*", the current or future reports filed or furnished with or to the SEC do not form part of this offering memorandum and are not incorporated by reference.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum and the documents incorporated by reference herein contain statements that are or may constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” or other similar expressions. Forward-looking statements, including statements about our beliefs and expectations, are not statements of historical facts. These statements are based on current plans, estimates and projections, and, therefore, you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. These factors include, but are not limited to:

- factors described in this offering memorandum under the heading “Risk Factors” and other documents incorporated by reference herein, and, from time to time, in other reports we file with the SEC or in other documents that we publicly disseminate, including, in particular, the section titled “Risk Factors” in our Form 20-F;
- our ability to service our debt and fund our working capital requirements;
- future demand for passenger and cargo air service in Chile, Brazil, other countries in Latin America and the rest of the world;
- the maintenance of relationships with customers;
- the state of the Chilean, Brazilian, Latin American and world economies and their impact on the airline industry;
- the effects of competition;
- future terrorist incidents or related activities affecting the airline industry;
- future outbreak of diseases, or spread of already existing diseases, affecting traveling behavior and/or exports;
- natural disasters affecting traveling behavior and/or exports;
- the relative value of the Chilean, Peruvian, Ecuadorian, Colombian, Brazilian, Mexican and Argentine currencies compared to other currencies;
- inflation;
- competitive pressures on pricing;
- our capital expenditure plans;
- changes in labor costs, maintenance costs, and insurance premiums;
- fluctuation of crude oil prices and its effect on fuel costs;
- cyclical and seasonal fluctuations in our operating results;
- defects or mechanical problems with our aircraft;
- our ability to successfully implement our growth strategy;
- increases in interest rates; and

- changes in regulations, including regulations related to access to routes in which we operate.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

CRA REGULATION

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Community and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies (the “**CRA Regulation**”) unless the rating is provided by a credit rating agency operating in the European Community before June 7, 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Neither Moody’s Investors Service, Inc. (“**Moody’s**”) nor Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business (“**S&P**” and together with Moody’s, the “**Rating Agencies**”) is a credit rating agency established and operating in the European Community prior to June 7, 2010.

SUMMARY

The following summary highlights selected information included elsewhere in this offering memorandum to help you better understand LATAM, the Trusts and the Certificates. This summary does not contain all of the information that you should consider before investing in the Certificates. Before investing in the Certificates, you should read this entire offering memorandum carefully, including LATAM's financial statements and the notes thereto and the section of this offering memorandum entitled "Risk Factors", as well as the materials filed with the SEC that are incorporated by reference into, and considered a part of, this offering memorandum. See "Where You Can Find Additional Information."

Our Company

LATAM Airlines Group is a Chile-based airline holding company formed by the merger of LAN of Chile and TAM of Brazil in 2012. We are primarily involved in the transportation of passengers and cargo and operate as one unified, merged business enterprise with two separate brands: LAN and TAM. LATAM Airlines Group is a publicly traded corporation listed on the Chilean Stock Exchanges, the NYSE and the Bovespa.

We are one of the largest airline groups in the world in terms of network connections, providing passenger transport services to approximately 135 destinations in 22 countries and cargo services to approximately 144 destinations in 26 countries, with a fleet of 327 aircraft as of December 31, 2014 and multiple bilateral airline alliances. In total, LATAM had more than 52,000 employees, as of December 31, 2014.

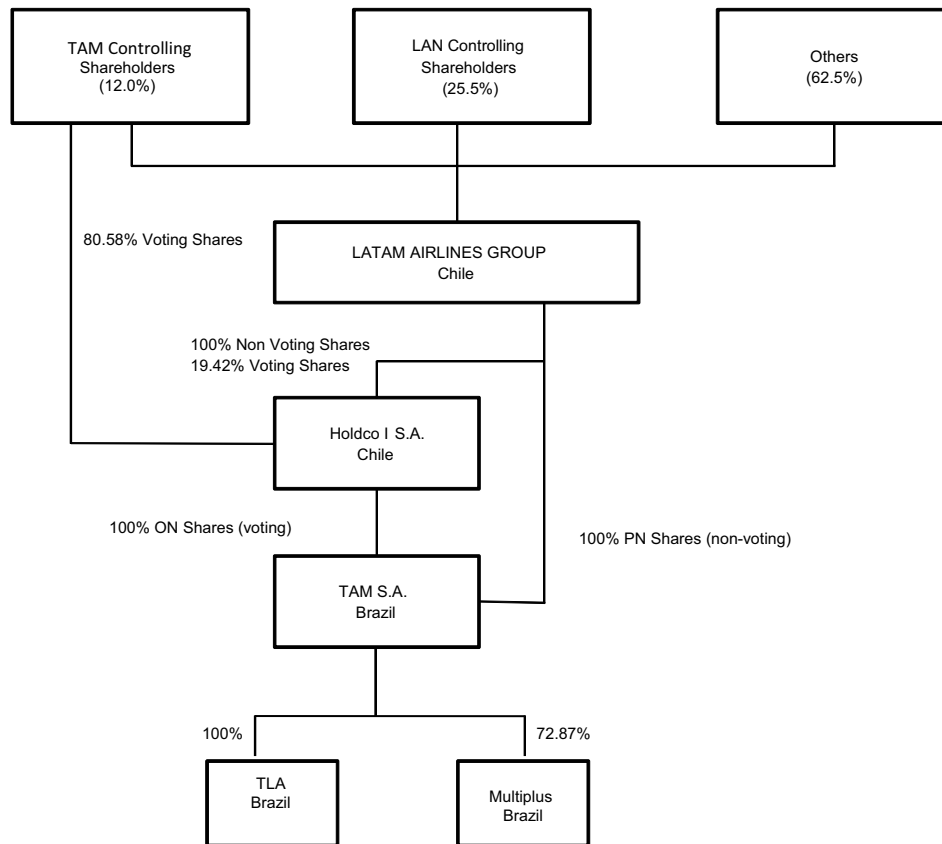
LATAM's history goes back to 1929, when the Chilean government founded LAN. LAN was a government-owned company from 1929 until its incorporation in 1983. The company began international service to Buenos Aires, Argentina in 1946, to the United States in 1958 and to Europe in 1970. In 1989, the Chilean government sold 51.0% of LAN's capital stock to Chilean investors and to Scandinavian Airlines System. In 1994, in a series of transactions, controlling shareholders together with other major shareholders acquired 98.7% of LAN's stock, including the remaining stock held by the Chilean government. In 1997, LAN American depositary shares, or ADSs, were listed on the NYSE, making LAN the first Latin American airline to trade its ADSs on this financial market.

Over the past decade, LAN has significantly expanded its operations in Latin America, initiating services in Peru in 1999, in Ecuador in 2003, in Argentina in 2005 and in Colombia in 2010 through the acquisition of Aerovias de Integracion Regional, Aires S.A. (d/b/a "**LAN Colombia**"). The combination of LAN and TAM in June 2012 further expanded the Company's operations in Brazil, where TLA is a leading domestic and international airline offering flights throughout Brazil with a strong domestic market share, international passenger services and significant cargo operations. TLA was founded in 1976 to, among other things, render public air transport in Brazil. TAM was founded in May 1997 (under the name *Companhia de Investimentos em Transportes*), for the purpose of participating in, managing and consolidating shareholdings in airlines. TLA began international services to Miami in 1998 and to Europe in 1999. In September 2002, TAM's name was changed to TAM S.A. and its shares began to be publicly traded on the Bovespa in June 2005. In 2006, TAM ADSs were also listed on the NYSE.

Following the combination with TAM, our airline holdings include LAN and its subsidiaries in Argentina, Chile, Colombia, Ecuador and Peru; TAM and its subsidiaries in Brazil and Paraguay, including Multiplus, a publicly traded loyalty program and subsidiary of TAM, and LAN Cargo and its regional affiliates in Brazil, Colombia and Mexico.

LATAM Simplified Organizational Structure

The ownership and organizational structure of LATAM Airlines Group is as follows:



TAM S.A., the holding company, has two significant operating subsidiaries, TAM Linhas Aéreas S.A. (“**TLA**”) and Multiplus S.A. (“**Multiplus Brazil**”).

Our Competitive Strengths

Our strategy is to maintain LATAM Airlines Group as the leading airline group in South America and to maximize shareholder value by increasing profitability through leveraging our unique position in the airline industry. LATAM Airlines Group is the only airline group in the region with a local presence in seven markets, as well as intra-regional and long haul operations. As a result, the Company has more flexibility, as well as a proven track record of acting quickly to adapt our business to economic challenges. Moreover, LATAM's unique leadership position in a region with growth potential and the focus on our existing competitive strengths will allow us to continue building our business model and fuel our future growth. We believe our most important competitive strengths are:

Leading Presence in South America

Through a successful regional expansion strategy, LATAM Airlines Group has become the leading international and domestic passenger airline group in South America, as well as the largest cargo operator in Latin America. LATAM has domestic passenger operations in Chile, Brazil, Peru, Argentina, Colombia and Ecuador. These six countries are the most significant passenger markets in South America (excluding Venezuela) and represent approximately 90% of the passengers in the region. LATAM is also the largest operator of intra-regional routes, connecting the main cities in South America. Furthermore, through the significant presence in the largest hubs in South America—Lima and Sao Paulo—LATAM is able to offer the best connectivity between South America and the rest of the world. Finally, the cargo companies of LATAM Airlines Group are the largest air cargo operators within, to and from Latin America, particularly in Brazil, where we consolidated our position during 2013.

Geographically Diversified Revenue Base, including both Passenger and Cargo Operations

The operations of the LATAM Airlines Group are highly geographically diversified, including domestic operations in six different countries, as well as operations within South America and connecting South America with various international destinations. This provides resilience to external shocks that may occur in any particular market. Furthermore, we believe that one of our distinct competitive advantages is our ability to profitably integrate our scheduled passenger and cargo operations. We take into account potential cargo services when planning passenger routes, and also serve certain dedicated cargo routes using our freighter aircraft, when needed. By adding cargo revenues to our existing passenger service, we are able to increase the productivity of our assets and maximize revenue, which has historically covered fixed operating expenses per flight, lowered break-even load factors and enhanced per flight profitability. Additionally, this revenue diversification helps offset seasonal revenue fluctuations and reduces the volatility of our business over time. For the year ended December 31, 2014, passenger revenues accounted for 86% of total revenues and cargo revenues accounted for 14% of total revenues.

Modern Fleet and Optimized Fleet Strategy

The average age of our fleet is less than 7 years, making our fleet one of the most modern in Latin America and in the world. A younger fleet makes us more cost competitive because it reduces fuel consumption and maintenance costs, and enables us to enjoy a high degree of performance reliability. In addition, a modern and fuel efficient fleet reflects our strong commitment to the environment as new aircraft incorporate the industry's latest technology, allowing for a substantial reduction in emissions, while also decreasing noise levels. Finally, a modern fleet also allows us to provide the best passenger experience.

We optimize our fleet structure through the careful selection of modern aircraft models and staggered lease maturities. We select our aircraft based on their ability to effectively and efficiently serve our short- and long-haul flight needs, while still striving to minimize the number of different aircraft types we operate.

Our current fleet plan involves a short-haul fleet formed exclusively by aircraft from the A320 family, with a focus on A321s and A320neos, whose use represents a saving per ASK of around 6% in comparison to A320ceos. In 2014, LATAM incorporated 11 Airbus A321s, the largest model in this family, for use on the busiest regional routes and for some domestic routes in Chile as well as in Brazil, ending the year with 21 aircraft of this type. Additionally, we have placed orders for 36 A320neos, with delivery dates between 2016 and 2018.

For long-haul passenger flights, we operate the Boeing 767-300, Airbus A330, Airbus A340-300 and Boeing 777 aircraft, and the modern and efficient Boeing 787 Dreamliner. This aircraft has new technologies in aerodynamics,

materials and coatings which allows us to achieve important savings on fuel consumption and also achieve sustainable expansion of our fleet (as the Dreamliner produces up to 20% less CO₂ than similar aircraft), while incorporating modern technology to deliver the best travel experience for LATAM's passengers. Our current fleet plan also includes the delivery starting in 2015, of the first of a total of 27 Airbus A350 passenger aircraft, a new aircraft type that is expected to further improve the efficiency of the existing long-haul fleet.

In 2014, LATAM took out of service its Dash Q400s and Boeing 737s (inherited from the Aires airline in Colombia) as well as seven A330s and three A340s and expects to conclude the withdrawal of these older models by 2016.

Overall, LATAM's continuous renewal of its fleet seeks to incorporate the best technology and position LATAM as a leader in fleet efficiency.

Strong Brands Teamed with Key Global Strategic Alliances

Following the business combination, both LAN and TAM continue to operate under their existing brands. We believe that both the LAN and TAM brands are associated with superior service, aircraft and technologically-advanced operations, and are well recognized and respected in their respective markets. In 2014, LAN and TAM Airlines were recognized as the "Best Airlines in South America" in first and second places respectively by the SkyTrax World Airline Awards. The awards are considered the global barometer for customer satisfaction within the industry, thanks to their exclusive reliance on the opinion of passengers.

The strategic global alliances and existing commercial agreements provide LATAM customers with access to more than 1700 destinations worldwide, itinerary flexibility and various other benefits, which substantially enhance our competitive position within the Latin American market. In addition, in March 2014 TAM Airlines and LAN Colombia joined oneworld marking one of the most important steps to achieve the entry of all of the airlines of LATAM Airlines Group into oneworld. To the passengers of the carriers that are a part of LATAM Airlines Group, this means greater convenience when traveling, since they will have the same standard of high-quality customer service, regardless of their international destination.

Financial Flexibility

We have historically managed our business to maintain financial flexibility and a strong balance sheet in order to accommodate our growth objectives while having the ability to respond to changing market conditions. Our financial flexibility has allowed us to secure large aircraft orders, including an important part of our current re-fleeting program, at attractive financing rates.

Recognized Loyalty Programs

TAM Fidelidade and LANPASS together represent the leading frequent flyer programs in South America, with strong participation rates and brand recognition by our customers. Customers in each program earn points or kilometers based on distance flown and class of ticket purchased, or by using other services of partners in the program. In addition, TAM's Multiplus program, which was launched in 2009, allows members to accumulate points not just by flying with TAM, but also by making purchases through credit cards or using services and products at partner establishments, and to redeem points for TAM flights and other products at partner establishments. Following the business combination between LAN and TAM, we have begun to harmonize the two airlines' frequent flyer programs to make them fully fungible for our customers, and have advanced cost initiatives related to the contract renegotiations and process standardization.

We regard our frequent flyer programs as strong relationship tools and we believe that these flexible programs are attractive to customers because they do not impose restrictions on flights for which points can be redeemed or the number of seats available to members using the loyalty program for any particular flight. LANPASS and TAM Fidelidade members can also accrue and redeem points for oneworld® flights.

Our Strategy

Our mission is to connect people with safety, operational excellence and warmth, seeking to become one of the best airlines groups in the world. In order to reach our mission the principal areas in which we plan to focus our efforts going forward are as follows:

Strengthen our Network

LATAM currently intends to strengthen its route network in South America, thereby offering the best connectivity within the region at a competitive price, in order to become by far the most convenient option for our passengers. We are the only airline group in South America with a local presence in six home markets and an international and intra-regional operation. This position is strengthened by improved infrastructure in some of our main hubs, allowing us to further strengthen our network and improve connection times. We intend to leverage our position to create a diversity of options and destinations and build a platform that will allow us to continue growing in the long term.

Brand leadership and customer experience

We will always seek to be the preferred choice of passengers in our region. Our efforts are driven by a differentiated passenger experience, and our leveraging of mobile digital technologies. We are currently working on a single, unified brand, culture, product and value proposition for our passengers. Additionally, we will focus on defining LATAM's digital strategy including applications to achieve ancillary revenues, and improving the management of contingencies, so that we are able to provide information and solutions to our customers in a timely and transparent manner. We continually assess opportunities to incorporate service improvements in order to respond effectively to our customers' needs.

Focus on Efficiency and Cost Competitiveness

We are currently working to establish a competitive cost structure to further improve our effectiveness, simplify our organization and increase flexibility and speed in decision making. The target is to reduce total costs by approximately 5% over the next 4 years (2015 to 2018). These savings are in addition to the efficiencies we expect to obtain from our new fleet technologies. Cost savings include reductions in fuel and fees, procurement, operations, overhead, and distribution costs, among others. The company has already started work on cost initiatives in all these areas. We currently are working to install behavior of austerity at all levels within the Company to continuously reduce costs.

Organizational Strength

We aspire to be a group of passionate people, working in a simple and aligned manner, with inspiring leaders making agile decisions. This will allow us to deliver a distinctive value to our customers, surpass our competitors in a consistent way and have a healthy and sustainable company.

Proactive risk management

We are working to incorporate a holistic and responsible view of risk in decision making, starting with risks that have high potential impact and low probability of occurrence, which could significantly affect LATAM's strategic objectives.

The Aircraft Owners

There will be four separate Owners of the Aircraft who will issue Equipment Notes based on the type of the relevant Aircraft and the delivery year of such Aircraft. The owner and lessor of each Airbus A350-900 Aircraft and Boeing 787-9 Aircraft delivered in 2015 (the "**2015 Wide Body Aircraft**") will be Rayador Leasing Limited (the "**2015 WB Owner**"), and it will issue the related Equipment Notes in respect of each 2015 Wide Body Aircraft. The owner and lessor of each Airbus A350-900 Aircraft and Boeing 787-9 Aircraft delivered in 2016 (the "**2016 Wide Body Aircraft**") will be Canastero Leasing Limited (the "**2016 WB Owner**" and, together with the 2015 WB Owner, the "**Wide Body Owners**"), and it will issue the related Equipment Notes in respect of each 2016 Wide Body Aircraft.

The owner and lessor of each Airbus A321-200 Aircraft delivered in 2015 (the “**2015 Narrow Body Aircraft**”) will be Parina Leasing Limited (the “**2015 NB Owner**”), and it will issue the related Equipment Notes in respect of each 2015 Narrow Body Aircraft. The owner and lessor of each A321-200 Aircraft delivered in 2016 (the “**2016 Narrow Body Aircraft**”) will be Cuclillo Leasing Limited (the “**2016 NB Owner**” and, together with the 2015 NB Owner, the “**Narrow Body Owners**” and, together with the 2015 NB Owner, the 2015 WB Owner and the 2016 WB Owner, the “**Owners**”), and it will issue the related Equipment Notes in respect of each 2016 Narrow Body Aircraft.

Each of the Owners is a newly formed Cayman Islands company with limited liability. The 2015 NB Owner was formed on April 15, 2015, and each of the other Owners was formed on April 10, 2015, in each case in connection with this offering. The registered office of each Owner is located at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

LATAM expects to own 100% of the equity interests in each Owner until the earlier of (x) the occurrence of an Indenture Event of Default and (y) the following exercise dates: (i) in the case of the 2015 NB Owner, January 2022, (ii) in the case of the 2015 WB Owner, January 2021, (iii) in the case of the 2016 NB Owner, January 2022 and (iv) in the case of the 2016 WB Owner, January 2021 (such exercise date for an Owner, the “**Exercise Date**”). Subsequent to these dates, the equity interest in each Owner is expected to be transferred to a charitable trust as described in the next paragraph.

On the date of issuance of the Certificates (the “**Issuance Date**”), LATAM will enter into a put option agreement (each, a “**Put Agreement**”) and a corresponding call option agreement (each, a “**Call Agreement**”) with respect to each Owner. Under each Put Agreement, LATAM will have an option (each, a “**Put Option**”), exercisable at any time, to require MaplesFS Limited, as share trustee, to purchase (at a nominal price) 100% of the equity interests in the related Owner and to hold the shares of each Owner on the terms of separate charitable trusts (each, a “**Charitable Trust**”) established by Maples FS Limited, as share trustee. Under each Call Agreement, LATAM will grant the Subordination Agent, for the benefit of the holders of the Certificates and the other secured parties, an option (each, a “**Call Option**”), exercisable as set forth below, to require LATAM to transfer (at a nominal price) 100% of the equity interests in the related Owner to it or the Charitable Trust under the related Put Agreement. If the Put Option with respect to an Owner is not exercised on or prior to the applicable Exercise Date, the corresponding Call Option will be exercised on such Exercise Date. Each Call Option will also be exercisable upon any Indenture Event of Default. MaplesFS Limited, as share trustee, will take ownership of an Owner’s shares under the related Put Option or Call Option subject to the related Owner Share Pledge, which will continue for the benefit of the holders of the Certificates and the other secured parties.

Summary of Terms of Certificates

	Class A Certificates	Class B Certificates
Aggregate Face Amount	US\$845,213,000.00	US\$175,610,000.00
Interest Rate.....	4.200%	4.500%
Initial Loan to Aircraft Value (cumulative) ⁽¹⁾	59.0%	71.2%
Highest Loan to Aircraft Value (cumulative) ⁽²⁾	59.0%	71.2%
Expected Principal Distribution Window (in years).....	1.0 to 12.5	1.0 to 8.5
Initial Average Life (in years from Issuance Date)	8.4	5.4
Regular Distribution Dates.....	February 15, May 15, August 15 and November 15	February 15, May 15, August 15 and November 15
Final Expected Distribution Date.....	November 15, 2027	November 15, 2023
Final Legal Maturity Date.....	August 15, 2029	August 15, 2025
Minimum Denomination	\$1,000	\$1,000
Liquidity Facility Coverage	Seven consecutive quarterly interest payments	Seven consecutive quarterly interest payments

(1) These percentages are determined as of May 15, 2016, the first Regular Distribution Date (as defined herein) after all Aircraft are expected to have been financed pursuant to this offering. In calculating these percentages, LATAM has assumed that the financings of all Aircraft hereunder and delivery of such Aircraft are completed prior to May 15, 2016, that the maximum principal amount of Equipment Notes is issued and that the aggregate appraised value of such Aircraft is U.S.\$1,407,208,847 as of such date. The appraised value is only an estimate and reflects certain assumptions. See “*Description of the Aircraft and the Appraisals—The Appraisals*”.

(2) See “—*Loan to Aircraft Value Ratios*”.

Equipment Notes, the Leases and the Aircraft

The proceeds of this offering will be used by the Trusts to purchase Equipment Notes from the Owners with respect to the Aircraft. The Wide Body Owners will use the proceeds from the sale of the Equipment Notes to finance the acquisition of the Wide Body Aircraft. The Narrow Body Owners will use the proceeds from the sale of the Equipment Notes to finance the acquisition of the Narrow Body Aircraft. Each Aircraft will be leased by the applicable Owner to LATAM under a separate Lease. The aggregate rent payments with respect to each Aircraft will be sufficient to permit the related Owner to make principal and interest payments and payments of other amounts due on the relevant Equipment Notes, which will be passed through to the Certificateholders. Certain Aircraft are expected to be subleased by LATAM to TLA pursuant to subleases (each, a “**Sublease**”).

The Aircraft to be financed pursuant to this offering will consist of eleven new Airbus A321-200 aircraft (the “**Narrow Body Aircraft**”) and two new Airbus A350-900 aircraft and four new Boeing 787-9 aircraft (the “**Wide Body Aircraft**”), all of which are currently scheduled for delivery from July 2015 through March 2016. See “*Description of the Aircraft and the Appraisals—The Appraisals*” for a description of the seventeen new aircraft to be financed with the proceeds of this offering. LATAM will assign its right to take title to the Narrow Body Aircraft to the applicable Narrow Body Owners, and the Narrow Body Owners will purchase the applicable Narrow Body Aircraft from Airbus S.A.S. (“**Airbus**”). LATAM will assign its right to take title to the Wide Body Aircraft to the applicable Wide Body Owners, and the Wide Body Owners will purchase the applicable Wide Body Aircraft that are Airbus A350-900 aircraft from Airbus and will purchase the applicable Wide Body Aircraft that are Boeing 787-9 aircraft from The Boeing Company (“**Boeing**” and together with Airbus, the “**Manufacturer**”). See “*—The Aircraft Owners*” for a description of which Owner will own which Aircraft, and see “*Description of the Aircraft and the Appraisals—The Appraisals*” for a description of the Aircraft that are expected to be financed with the proceeds of this offering.

Set forth below is certain information about the Equipment Notes expected to be held in the Trusts and the Aircraft expected to secure the Equipment Notes:

Aircraft Type	Expected Registration Number	Delivery Rank or Expected Manufacturer’s Serial Number	Expected Month of Delivery ⁽¹⁾	Initial Principal Amount of Equipment Notes	Appraised Value ⁽²⁾	Latest Equipment Note Maturity Date
A321-200.....	TBD	Rank 96	July 2015	\$ 40,052,000	\$ 52,810,000	November 15, 2027
A321-200.....	TBD	Rank 92	September 2015	39,054,000	52,890,000	November 15, 2027
A321-200.....	TBD	Rank 93	October 2015	38,297,000	52,940,000	November 15, 2027
A321-200.....	TBD	Rank 112	October 2015	38,297,000	52,940,000	November 15, 2027
A321-200.....	TBD	Rank 103	December 2015	38,832,000	53,030,000	November 15, 2027
A321-200.....	TBD	Rank 113	December 2015	38,831,000	53,030,000	November 15, 2027
A321-200.....	TBD	Rank 114	December 2015	38,831,000	53,030,000	November 15, 2027
A321-200.....	TBD	Rank 92	January 2016	37,400,000	53,170,585	November 15, 2027
A321-200.....	TBD	Rank 120	February 2016	36,602,000	53,170,585	November 15, 2027
A321-200.....	TBD	Rank 135	March 2016	36,069,000	53,170,585	November 15, 2027
A321-200.....	TBD	Rank 136	March 2016	36,069,000	53,170,585	November 15, 2027
A350-900.....	TBD	0024	December 2015	105,425,000	147,777,657	November 15, 2027
A350-900.....	TBD	0027	February 2016	102,063,000	148,261,573	November 15, 2027
B787-9.....	TBD	38478	August 2015	102,191,000	136,545,380	November 15, 2027
B787-9.....	TBD	38479	September 2015	100,907,000	136,655,380	November 15, 2027
B787-9.....	TBD	38461	December 2015	97,979,000	137,339,938	November 15, 2027
B787-9.....	TBD	38459	January 2016	96,924,000	137,793,694	November 15, 2027
				\$ 1,020,823,000	\$ 1,427,725,960	

(1) The indicated registration number, manufacturer’s serial number and delivery month for each Aircraft reflect LATAM’s current expectations, although these may differ for the actual aircraft financed with the proceeds of the offering. The deadline for purposes of financing an Aircraft pursuant to this offering is June 30, 2016 (or later under certain circumstances). The financing of each Aircraft with a portion of the proceeds of this offering will be effected at delivery of such Aircraft to the applicable Owner by the applicable Manufacturer. The actual delivery date for any Aircraft may be subject to delay or acceleration. See “*Description of the Aircraft and the Appraisals—Timing of Financing the Aircraft*”. LATAM has certain rights to substitute other aircraft if the scheduled delivery date of any Aircraft is delayed for more than 30 days after the month scheduled for delivery. See “*Description of the Aircraft and the Appraisals—Substitute Aircraft*”.

(2) The appraised value of each Aircraft set forth above is the lesser of the average and median values of such Aircraft as appraised by three independent appraisal and consulting firms: Aircraft Information Services, Inc., Aviation Specialists Group, Inc. and Morten Beyer & Agnew, Inc. These appraisals indicate appraised base value, projected as of the scheduled delivery month of the applicable Aircraft. These appraisals are based upon varying assumptions (which may not reflect current market conditions) and methodologies. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value. See “*Risk Factors—Risk*”.

Factors Relating to the Certificates and the Offering—The Appraisals are only estimates of Aircraft value” and “Description of the Aircraft and the Appraisals—The Appraisals.”

Loan to Aircraft Value Ratios

The following table sets forth loan to Aircraft value ratios (“LTVs”) for the Class A and Class B Certificates as of May 15, 2016, the first Regular Distribution Date after all Aircraft are expected to have been financed pursuant to this offering, and each Regular Distribution Date thereafter. The LTVs for the Class A and Class B Certificates for the period prior to May 15, 2016 are not meaningful, because during such period all of the Equipment Notes expected to be acquired by the Trusts and all of the Aircraft expected to be financed thereby will not be included in the calculation. The table should not be considered a forecast or prediction of expected or likely LTVs but simply a mathematical calculation based on one set of assumptions. See “*Risk Factors—Risk Factors Relating to the Certificates and the Offering—The Appraisals are only estimates of Aircraft value*”.

Date	Assumed Aggregate Aircraft Value ⁽¹⁾ (U.S. Dollars)	Outstanding Balance (U.S. Dollars)		LTV (%)	
		Class A Certificates ⁽²⁾	Class B Certificates ⁽²⁾	Class A Certificates ⁽³⁾	Class B Certificates ⁽³⁾
May 15, 2016.....	\$ 1,407,208,847	\$ 830,619,829	\$ 170,817,204	59.0%	71.2%
August 15, 2016.....	1,396,500,902	817,556,348	167,006,872	58.5%	70.5%
November 15, 2016.....	1,385,792,958	804,659,307	162,676,703	58.1%	69.8%
February 15, 2017.....	1,375,085,013	794,368,409	157,413,765	57.8%	69.2%
May 15, 2017.....	1,364,377,068	783,122,403	152,402,476	57.4%	68.6%
August 15, 2017.....	1,353,669,123	771,130,624	147,610,282	57.0%	67.9%
November 15, 2017.....	1,342,961,179	759,138,976	143,407,257	56.5%	67.2%
February 15, 2018.....	1,332,253,234	747,147,462	138,912,042	56.1%	66.5%
May 15, 2018.....	1,321,545,289	735,156,085	134,416,905	55.6%	65.8%
August 15, 2018.....	1,310,837,345	723,164,848	129,921,847	55.2%	65.1%
November 15, 2018.....	1,300,129,400	711,173,755	125,426,870	54.7%	64.3%
February 15, 2019.....	1,289,421,455	699,182,810	120,931,977	54.2%	63.6%
May 15, 2019.....	1,278,713,510	686,069,751	116,437,168	53.7%	62.8%
August 15, 2019.....	1,268,005,566	672,956,874	111,942,448	53.1%	61.9%
November 15, 2019.....	1,257,297,621	659,844,185	107,447,816	52.5%	61.0%
February 15, 2020.....	1,246,589,676	646,731,689	102,953,277	51.9%	60.1%
May 15, 2020.....	1,235,881,732	633,619,391	98,458,832	51.3%	59.2%
August 15, 2020.....	1,225,173,787	620,507,295	93,964,485	50.6%	58.3%
November 15, 2020.....	1,214,465,842	607,395,408	89,470,236	50.0%	57.4%
February 15, 2021.....	1,203,757,898	594,283,734	84,976,089	49.4%	56.4%
May 15, 2021.....	1,193,049,953	581,172,280	80,482,048	48.7%	55.5%
August 15, 2021.....	1,182,342,008	568,061,051	75,988,113	48.0%	54.5%
November 15, 2021.....	1,171,634,064	554,950,054	71,494,290	47.4%	53.5%
February 15, 2022.....	1,160,926,119	541,839,295	67,000,580	46.7%	52.4%
May 15, 2022.....	1,150,218,174	528,728,780	62,506,986	46.0%	51.4%
August 15, 2022.....	1,139,510,229	515,618,517	57,514,346	45.2%	50.3%
November 15, 2022.....	1,128,802,285	502,508,512	51,523,526	44.5%	49.1%
February 15, 2023.....	1,118,094,340	489,398,773	45,532,881	43.8%	47.8%
May 15, 2023.....	1,107,386,395	476,289,308	38,044,987	43.0%	46.4%
August 15, 2023.....	1,096,678,451	463,180,124	31,056,463	42.2%	45.1%
November 15, 2023.....	1,085,970,506	450,071,231	0	41.4%	0.0%
February 15, 2024.....	1,075,262,561	436,962,636	0	40.6%	0.0%
May 15, 2024.....	1,064,554,617	423,854,348	0	39.8%	0.0%
August 15, 2024.....	1,053,846,672	410,746,378	0	39.0%	0.0%
November 15, 2024.....	1,043,138,727	397,638,734	0	38.1%	0.0%
February 15, 2025.....	1,032,430,782	384,531,427	0	37.2%	0.0%
May 15, 2025.....	1,021,722,838	371,424,467	0	36.4%	0.0%
August 15, 2025.....	1,011,014,893	358,317,866	0	35.4%	0.0%
November 15, 2025.....	1,000,306,948	345,211,634	0	34.5%	0.0%
February 15, 2026.....	989,599,004	332,105,784	0	33.6%	0.0%
May 15, 2026.....	978,891,059	319,000,329	0	32.6%	0.0%
August 15, 2026.....	968,183,114	305,895,280	0	31.6%	0.0%
November 15, 2026.....	957,475,170	292,790,653	0	30.6%	0.0%
February 15, 2027.....	946,767,225	279,686,461	0	29.5%	0.0%
May 15, 2027.....	936,059,280	266,582,718	0	28.5%	0.0%
August 15, 2027.....	925,351,335	253,479,441	0	27.4%	0.0%
November 15, 2027.....	914,643,391	0	0	0.0%	0.0%

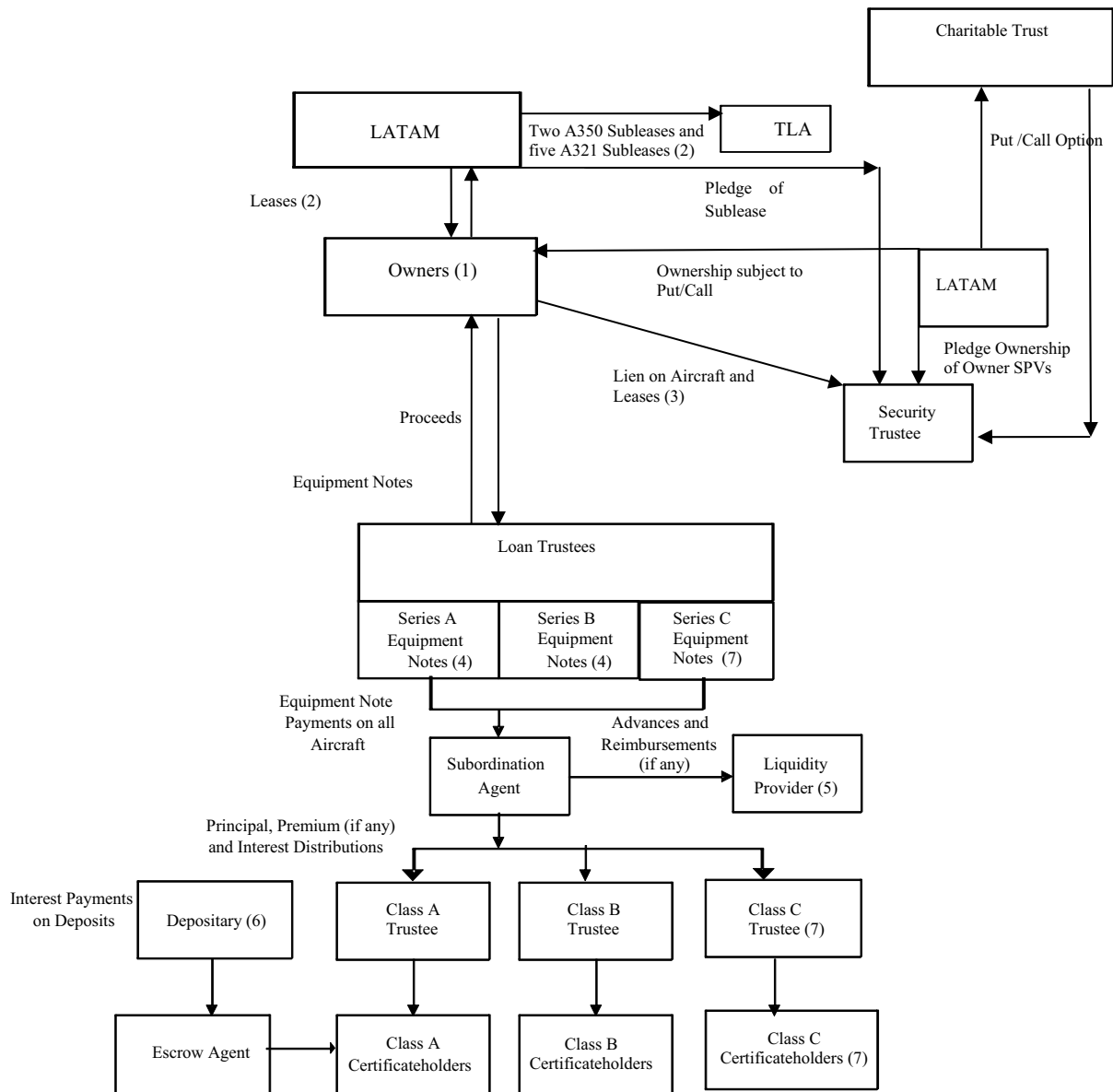
- (1) LATAM has assumed that all Aircraft will be financed under this offering prior to May 15, 2016, and that the appraised value of each Aircraft, determined as described under “—*Equipment Notes, the Leases and the Aircraft*”, declines from that of the initial appraised value of such Aircraft by approximately 3.0% per year for the first 15 years after the year of delivery of such Aircraft from the

manufacturer, in each case prior to the final expected Regular Distribution Date. Other rates or methods of depreciation may result in materially different LTVs. LATAM cannot assure you that the depreciation rate and method used for purposes of the table will occur or predict the actual future value of any Aircraft. See “*Risk Factors—Risk Factors Relating to the Certificates and the Offering—The Appraisals are only estimates of Aircraft value*”.

- (2) In calculating the outstanding balances of each class of Certificates, LATAM has assumed that the Trusts will acquire the Equipment Notes in respect of all of the Aircraft. Outstanding balances as of each Regular Distribution Date are shown after giving effect to distributions expected to be made on such distribution date.
- (3) The LTVs for each class of Certificates were obtained for each Regular Distribution Date by dividing (i) the expected outstanding pool balance of such class of Certificates (together, in the case of Class B Certificates, with the expected outstanding pool balance of the Class A Certificates) after giving effect to the distributions expected to be made on such distribution date, by (ii) the assumed value of all of the Aircraft on such date based on the assumptions described above. The outstanding balances and LTVs of each class of Certificates will change if, among other things, any Equipment Notes are redeemed or purchased, a Substitute Aircraft is financed in lieu of any Aircraft to be financed pursuant to this offering or the Trusts do not acquire Equipment Notes with respect to all of the Aircraft.

Cash Flow Structure

The following is a diagram of the structure of the offering of the Certificates and certain cash flows.



- (1) Each applicable Owner will use the proceeds from the sale of the Equipment Notes to fund the acquisition of its respective Aircraft. For more information, see “—*The Aircraft Owners*” and “—*Equipment Notes, the Leases and the Aircraft*.” Additionally, each Owner will guarantee the obligations of each other Owner relating to the Equipment Notes.
- (2) Each Aircraft will be subject to a Lease. The rent payments under each Lease will be sufficient to pay in full when due all amounts required to be paid by the related Owner in respect of the Equipment Notes, including unpaid indemnities, default interest charges, costs and expenses under the Indenture and Liquidity Facilities. Certain Aircraft are expected to be subleased by LATAM to TLA.
- (3) The Equipment Notes issued with respect to each Aircraft will be secured by a mortgage over such Aircraft from the related Owner, and an assignment of its rights under the Lease. The outstanding share capital of each Owner will also be pledged to secure the Equipment Notes.
- (4) The Equipment Notes with respect to each Aircraft will be issued under a separate Indenture.
- (5) The Liquidity Facility for each of the Class A Certificates and the Class B Certificates will be sufficient to allow the related Trustee to draw up to seven consecutive quarterly interest payments with respect to such class of Certificates. The Liquidity Facilities will not

- cover interest on the Deposits. There will not be a liquidity facility for the Additional Certificates, including Class C Certificates, if any are issued.
- (6) The proceeds of the sale of each class of Certificates will initially be held in escrow and deposited with the Depositary, pending financing of each Aircraft. The Depositary will hold such funds as interest bearing Deposits. Each Trust will withdraw funds from the Deposits relating to such Trust to purchase Equipment Notes from time to time as each Aircraft is financed. The scheduled payments of interest on the Equipment Notes and on the Deposits relating to a Trust, taken together, will be sufficient to pay accrued interest on the outstanding Certificates of such Trust. If any funds remain as Deposits with respect to a Trust at the Delivery Period Termination Date (as defined herein), such funds will be withdrawn by the Escrow Agent and distributed to the holders of the Certificates issued by such Trust, together with accrued and unpaid interest thereon. No interest will accrue with respect to the Deposits after they have been fully withdrawn.
- (7) Class C Certificates are not being offered under this offering memorandum, but one or more classes of Additional Certificates, including Class C Certificates, may be offered at any time on or after the date of this offering memorandum.

This summary highlights information presented in detail elsewhere in this offering memorandum. This summary is not complete and does not contain all the information that you should consider before investing in the Certificates. You should carefully read this entire offering memorandum before investing in the Certificates, including “Description of the Certificates.”

The Offering

Certificates Offered LATAM Pass Through Certificates, Series 2015-1A

LATAM Pass Through Certificates, Series 2015-1B

Each class of Certificates will represent a fractional undivided interest in the related Trust.

Use of Proceeds The proceeds from the sale of the Certificates of each Trust will initially be held in escrow and deposited with the Depositary, pending financing of each Aircraft under the related Indenture. Each Trust will withdraw funds from the Deposits relating to such Trust to acquire Equipment Notes as Aircraft are delivered and subjected to the related Indenture.

The proceeds from the issuance of the Equipment Notes with respect to an Aircraft will be used by the related Owner to fund the acquisition of such Aircraft when such Aircraft is delivered. Each Aircraft will be leased by the related Owner to the Lessee and, in the case of five (5) Airbus A321-200 Aircraft and both Airbus A350-900 Aircraft, subleased to TLA as the Sublessee. See “*Use of Proceeds*”.

Owners..... The Equipment Notes will be issued by 2015 NB Owner for all of the 2015 Narrow Body Aircraft. The Equipment Notes will be issued by 2016 NB Owner for all of the 2016 Narrow Body Aircraft. The Equipment Notes will be issued by 2015 WB Owner for all of the 2015 Wide Body Aircraft. The Equipment Notes will be issued by 2016 WB Owner for all of the 2016 Wide Body Aircraft.

Lessors..... The applicable Owner in respect of each Aircraft.

Lessee LATAM

Sublessee TAM Linhas Aéreas S.A.

Subordination Agent, Trustee,
Paying Agent and Loan Trustee Wilmington Trust Company

Escrow Agent Wilmington Trust, National Association

Depositary..... Natixis, acting through its New York Branch

Liquidity Provider for the Class A
Certificates and Class B Certificates Natixis, acting through its New York Branch

Administrator and Trustee for each
Charitable Trust MaplesFS Limited

Trust Property..... The property of each Trust will include:

- subject to the Intercreditor Agreement, the Equipment Notes acquired by such Trust prior to the Delivery Period Termination

Date, all monies at any time paid thereon and all monies due and to become due thereunder;

- the rights of such Trust to acquire the related series of Equipment Notes under the Note Purchase Agreement;
- the rights of such Trust under the applicable Escrow Agreement to request the Escrow Agent to withdraw from the Depositary funds sufficient to enable such Trust to purchase the related series of Equipment Notes upon the financing of an Aircraft under the related Indenture prior to the Delivery Period Termination Date;
- the rights of such Trust under the Intercreditor Agreement (including all monies receivable in respect of such rights);
- all monies receivable under the separate Liquidity Facility for such Trust; and
- funds from time to time deposited with the applicable Trustee in accounts relating to such Trust.

Regular Distribution Dates February 15, May 15, August 15 and November 15, commencing on August 15, 2015.

Record Dates The 15th day preceding the related Distribution Date.

Distributions The Trustee of each Trust will distribute payments of principal, Make-Whole Amount (if any) and interest received on the Equipment Notes held in such Trust to the holders of the Certificates of such Trust, subject to the subordination provisions set forth in the Intercreditor Agreement.

Subject to the subordination provisions set forth in the Intercreditor Agreement,

- Scheduled Payments of principal and interest made on the Equipment Notes will be distributed on the applicable Regular Distribution Dates; and
- payments in respect of, or any proceeds of, any Equipment Notes or the Collateral under any Indenture, including payments resulting from any early redemption of such Equipment Notes, will be distributed on a Special Distribution Date after not less than 15 days' notice to the Certificateholders.

See “—*Escrowed Funds*” and “—*Unused Escrowed Funds*” below for a description of various distributions relating to the Deposits under certain circumstances.

Intercreditor Agreement The Trustees, the Liquidity Providers and the Subordination Agent will enter into the Intercreditor Agreement. The Intercreditor Agreement prescribes how payments made on the Equipment Notes held by the Subordination Agent and made under each Liquidity Facility will be distributed. The Intercreditor Agreement also sets forth agreements among the Trustees and the Liquidity Providers relating to who will control the exercise of remedies under the

Equipment Notes, the Indentures and other security documents.

Subordination Under the Intercreditor Agreement, after payment of certain fees and expenses, distributions on the Certificates generally will be made in the following order:

- *First*, to the holders of the Class A Certificates to make distributions in respect of interest on the Class A Certificates;
- *Second*, to the holders of the Class B Certificates to make distributions in respect of interest on the Eligible B Pool Balance;
- *Third*, if any Class C Certificates have been issued, to the holders of Class C Certificates to make distributions in respect of interest on the Eligible C Pool Balance;
- *Fourth*, to the holders of the Class A Certificates to make distributions in respect of the Pool Balance of the Class A Certificates;
- *Fifth*, to the holders of the Class B Certificates to make distributions in respect of interest on the Pool Balance of the Class B Certificates not previously distributed under clause “*Second*” above;
- *Sixth*, to the holders of the Class B Certificates to make distributions in respect of the Pool Balance of the Class B Certificates;
- *Seventh*, if any Class C Certificates have been issued, to the holders of the Class C Certificates to make distributions in respect of interest on the Pool Balance of the Class C Certificates not previously distributed under clause *Third* above; and
- *Eighth*, if any Class C Certificates have been issued, to the holders of the Class C Certificates to make distributions in respect of the Pool Balance of the Class C Certificates.

Certain distributions to the Liquidity Providers will be made prior to distributions on the Class A Certificates and Class B Certificates. See “*Description of the Intercreditor Agreement—Priority of Distributions*”.

Control of Loan Trustee The holders of at least a majority of the outstanding principal amount of Equipment Notes issued under each Indenture will be entitled to direct the loan trustee (each, a “**Loan Trustee**”) under such Indenture and the related security documents in taking action as long as no Indenture Event of Default (as defined in the Indentures) is continuing thereunder. The holders of at least a majority of the outstanding principal amount of the Equipment Notes issued under all Indentures will be entitled to direct the Subordination Agent as pledgee (the “**Pledgee**”) under each share pledge agreement in respect of an Owner (each, an “**Owner Share Pledge**”) in taking action so long as no Indenture Event of Default is continuing. If an Indenture Event of Default is continuing under an Indenture, subject

to certain conditions, the Controlling Party will be entitled to direct (i) the Loan Trustee under such Indenture (including in exercising remedies, such as accelerating the related Equipment Notes or causing the applicable Owner to foreclose the lien on the Aircraft securing such Equipment Notes) and (ii) the Pledgee under each Owner Share Pledge and each Call Agreement (including in exercising remedies, such as foreclosing the lien on the collateral thereunder).

The “**Controlling Party**” will be:

- if Final Distributions have not been paid in full to the holders of the Class A Certificates, the Class A Trustee;
- if Final Distributions have been paid in full to the holders of the Class A Certificates, but not to the holders of the Class B Certificates, the Class B Trustee;
- if any Class C Certificates have been issued, if Final Distributions have been paid in full to the holders of the of Class A Certificates and Class B Certificates, the Class C Trustee; and
- under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the greatest amount owed to it.

Limitation on Sale of Aircraft or Equipment

Notes..... In exercising remedies during the nine months after the earlier of (a) the acceleration of the Equipment Notes issued pursuant to any Indenture and (b) the occurrence of an insolvency proceeding where LATAM or any Owner is a debtor, the Controlling Party may not, without the consent of each Trustee (other than the Trustee of any Trust all of the Certificates of which are held or beneficially owned by LATAM or any of its affiliates) (i) direct the sale of such Equipment Notes or the Aircraft subject to the lien of such Indenture for less than certain specified minimum amounts, (ii) adjust the amount and payment dates of rentals by LATAM under the Leases if the discounted present value of such rentals, after giving effect to any such adjustment, would fall below certain specified minimum amounts or (iii) direct the sale of any collateral subject to an Owner Share Pledge for less than certain specified minimum amounts.

Right to Purchase Other

Classes of Certificates If LATAM becomes subject to an insolvency proceeding, and certain other circumstances then exist,

- the Class B Certificateholders (other than LATAM or any of its affiliates) will have the right to purchase all, but not less than all, of the Class A Certificates; and
- if any Additional Certificates, including Class C Certificates, have been issued, holders (other than LATAM or any of its affiliates) of such class of Additional Certificates will have the right to purchase all, but not less than all, of the Class A Certificates and Class B Certificates and, if applicable, any previously or concurrently issued class of Additional Certificates ranking senior in right of payment to such class of Additional

Certificates.

The purchase price, in each case described above, will be the outstanding Pool Balance of the applicable class of Certificates plus accrued and undistributed interest, without any premium, but including any other amounts then due and payable to the Certificateholders of such class.

Liquidity Facilities..... Under the Liquidity Facility for each of the Class A Trust and Class B Trust, the applicable Liquidity Provider is required, if necessary, to make advances in an aggregate amount sufficient to pay interest on the applicable Certificates on up to seven successive quarterly Regular Distribution Dates at the applicable interest rate for such Certificates. Drawings under the Liquidity Facilities cannot be used to pay any amount in respect of the Certificates other than such interest and will not cover interest payable on amounts held in escrow as Deposits with the Depositary. See “*Description of the Liquidity Facilities*” for a description of the terms of the Liquidity Facilities, including the threshold rating requirements applicable to the Liquidity Providers.

Additional Certificates, including the Class C Certificates, if issued, will not have the benefit of a liquidity facility.

Notwithstanding the subordination provisions under the Intercreditor Agreement, the holders of the Certificates to be issued by the Class A Trust or the Class B Trust will be entitled to receive and retain the proceeds of drawings under the Liquidity Facility for such Trust.

Upon each drawing under any Liquidity Facility to pay interest distributions in respect of the applicable Certificates, the Subordination Agent will be obligated to reimburse the applicable Liquidity Provider for the amount of such drawing, together with interest on such drawing. Such reimbursement obligation and all interest, fees and other amounts owing to the Liquidity Provider under each Liquidity Facility and certain other agreements will rank equally with comparable obligations relating to the other Liquidity Facility and will rank senior to all Certificates in right of payment.

Escrowed Funds..... Funds in escrow for the Certificateholders of each Trust will be held by the Depositary as deposits (the “**Deposits**”) relating to such Trust. Subject to certain conditions, each Trustee may withdraw these funds from time to time to purchase Equipment Notes in respect of an Aircraft prior to the Delivery Period Termination Date. On each Regular Distribution Date, the Depositary will pay interest accrued on the Deposits relating to each Trust at a rate per annum equal to the interest rate applicable to the Certificates issued by such Trust. The Deposits relating to each Trust and interest paid thereon will not be subject to the subordination provisions under the Intercreditor Agreement. The Deposits cannot be used to pay any other amount in respect of the Certificates. See “*Description of the Deposit Agreements*” for a description of the terms of the deposit arrangements, including the threshold rating requirements applicable to the Depositary.

Unused Escrowed Funds Under certain circumstances, less than all of the Deposits held in escrow may have been used to purchase Equipment Notes to be

issued with respect to the Aircraft by June 30, 2016, the deadline established for purposes of this offering (*provided* that, if a labor strike occurs at Boeing or Airbus prior to such date, such date will be extended with respect to the remaining Aircraft of the affected Manufacturer by the number of days that such strike continued in effect, but not more than 60 days and excluding any period of a strike at Boeing or Airbus after all Aircraft of such Manufacturer shall have been financed pursuant to this offering) (June 30, 2016 or such extended date, the “**Delivery Period Termination Date**”). This could occur because of delays in the delivery of Aircraft or other reasons. See “*Description of the Certificates—Obligation to Purchase Equipment Notes*”. If any funds remain as Deposits after the Delivery Period Termination Date, such remaining funds will be withdrawn by the Escrow Agent and distributed by the Paying Agent, with accrued and unpaid interest on such remaining funds, but without any premium, to the Certificateholders of such Trust on a date no earlier than 15 days after the Paying Agent has received notice of the event requiring such distribution or, under certain circumstances, such remaining funds will be automatically returned by the Depositary to the Paying Agent on the date falling 15 days after the Delivery Period Termination Date, and the Paying Agent will distribute such funds to such Certificateholders as promptly as practicable thereafter. In addition, if any of certain specified trigger events occurs prior to the Delivery Period Termination Date, any Deposits held in escrow will also be withdrawn and distributed to the applicable Certificateholders. See “*Description of the Deposit Agreements—Other Withdrawals and Return of Deposits*”. If any of certain events of loss occurs with respect to an Aircraft before such Aircraft is financed pursuant to this offering, any Deposits relating to such Aircraft held in escrow with respect to each Trust will be similarly withdrawn and distributed to the Certificateholders of such Trust. “*Description of the Deposit Agreements— Other Withdrawals and Return of Deposits*”

Obligation to Purchase Equipment Notes The Trustees, the Owners, LATAM, as lessee, and MaplesFS Limited, as trustee of each Charitable Trust, will enter into the Note Purchase Agreement. On and subject to the terms of the Note Purchase Agreement and the forms of financing and lease agreements attached to the Note Purchase Agreement, the Trustees, the Owners and LATAM will be obligated to take the following action prior to the Delivery Period Termination Date. The Trustees will be obligated to purchase the Equipment Notes issued with respect to each Aircraft. Each Owner will be obligated to issue Equipment Notes pursuant to secured debt financing agreements and to purchase the applicable Aircraft with the proceeds of the related Equipment Notes issued by it. LATAM will be obligated to enter into a lease for such Aircraft from the related Owner and make an initial rent payment under the lease to the Owner in an amount sufficient to enable such Owner to purchase such Aircraft.

The actual financing and lease agreements may be modified in any material respect from the forms attached to the Note Purchase Agreement so long as LATAM obtains written confirmation from each Rating Agency to the effect that the use of such modified financing and lease agreements will not result in a withdrawal, suspension or downgrading of the rating of each class of Certificates

then rated by such Rating Agency and that remains outstanding. The terms of such financing and lease agreements also must in any event comply with the Required Terms set forth in the Note Purchase Agreement. In addition, LATAM, subject to certain exceptions, is obligated to certify to the Trustees that any substantive modifications do not materially and adversely affect the Certificateholders or any Liquidity Provider

Under the Note Purchase Agreement, Trustees will not be obligated to purchase Equipment Notes to be issued with respect to any Aircraft not yet financed if any of certain specified trigger events occurs or certain specified conditions are not met. The Trustees will have no right or obligation to purchase the Equipment Notes to be issued with respect to any Aircraft after the Delivery Period Termination Date. See “*Description of the Certificates—Obligation to Purchase Equipment Notes*”.

Possible Issuance of Class C Certificates,
Additional Certificates and Refinancing
Certificates.....

Under certain circumstances, on or after the date of this offering memorandum, Class C Certificates, which will evidence fractional undivided ownership interests in equipment notes secured by Aircraft, may be issued. If Class C Certificates are issued, holders of Class C Certificates will have the right to purchase all of the Class A Certificates and the Class B Certificates in the circumstances described above under “—*Right to Purchase Other Classes of Certificates*”.

Under certain circumstances, on or after the date of this offering memorandum, Additional Certificates, which will evidence fractional undivided ownership interests in equipment notes secured by Aircraft, may be issued. If Additional Certificates are issued, holders of Additional Certificates will have the right to purchase all of the Class A Certificates, the Class B Certificates and the Class C Certificates in the circumstances described above under “—*Right to Purchase Other Classes of Certificates*”.

Consummation of any such issuance of Class C Certificates or Additional Certificates will be subject to satisfaction of certain conditions, including receipt of confirmation from the Rating Agencies to the effect that it will not result in a withdrawal, suspension or downgrading of the rating of any class of Certificates that remains outstanding. The proceeds of any issuance of Series C Equipment Notes or Additional Equipment Notes and Class C Certificates or Additional Certificates will be paid to LATAM as a refund of the initial rent payment made by LATAM in respect of the applicable Aircraft under the applicable Lease.

In addition, the Owners (acting at the direction of LATAM) may elect to redeem and re-issue Series B Equipment Notes and/or Series C Equipment Notes and/or Additional Equipment Notes, if issued, in respect of all, but not less than all, of the Aircraft. In such case, the Owners will fund the refinancing of such Equipment Notes through the sale of pass through trust certificates issued by a corresponding pass through trust. See “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates*.”

Leases Each Owner will lease each Aircraft owned by it to LATAM pursuant to a separate New York law governed finance lease for such Aircraft (each, a “**Lease**”). The payment obligations of LATAM under each Lease, including any purchase option, will at all times be sufficient to discharge the corresponding payment obligations of the related Owner in respect of the Equipment Notes issued in respect of the related Aircraft, including unpaid indemnities, default interest charges, costs and expenses under the Indentures and the Liquidity Facilities.

The terms of the Leases may not vary from the Required Terms set forth in the form of Lease attached to the Note Purchase Agreement. In addition, if LATAM wishes to modify the terms of the Leases (other than the Required Terms) from such form, LATAM must certify to the Trustees that any substantive modifications to the terms of the Leases would not materially and adversely affect the Certificateholders, and must also obtain written confirmation from the Rating Agencies to the effect that if the Leases are modified in any material respect from the forms attached to the Note Purchase Agreement, the modification will not cause a withdrawal, suspension or downgrading of the rating of any class of Certificates.

Subleases LATAM expects to sublease five Airbus A321-200 Aircraft and both Airbus A350-900 Aircraft to the Sublessee pursuant to separate New York law governed subleases (each, a “**Sublease**”). Each subleased Aircraft will be registered in Brazil. Each Sublease will be subject and subordinate to the related Lease, and LATAM will remain primarily liable for all amounts owed under the related Leases. Each Sublease will also be assigned as security for LATAM’s obligations under the related Lease. Each Sublease and each assignment of a Sublease will be registered as an “international interest” and will be entitled to the benefits of the Cape Town Treaty. Each Sublease will automatically terminate at any time the related Lease has been terminated and will also be terminable at any time upon 45 days prior notice to the Sublessee from LATAM (or the Loan Trustee acting pursuant to the Lease assignment). The Subleases may not contain any purchase option in favor of the Sublessee and will be characterized as simple leases (“*arrendamento simples/aluguel*”) for purposes of Brazilian law.

Other Subleases and Interchanges Each Lease will also contain the right for LATAM to sublease the applicable Aircraft on a subject and subordinated basis (which may also entail a change in the jurisdiction of registration) or enter into interchange arrangements with respect to the Aircraft, in each case, subject to the restrictions in the Indentures, the Participation Agreements and the Leases. LATAM will remain primarily liable for all amounts owed under the Leases, notwithstanding the sublease or interchange of any Aircraft. Any such subleases and interchange agreements will also be assigned as security for LATAM’s obligations under the related Lease.

Put Options and Call Options In order that each Aircraft will qualify for accelerated depreciation allowances under applicable Chilean tax law, LATAM will own 100% of the equity interest in each Owner until the Exercise Date for such Owner.

On the Issuance Date, LATAM will enter into a Put Agreement and a corresponding Call Agreement with respect to each Owner. Under each Put Agreement, LATAM will have an option (each, a “**Put Option**”) exercisable as set forth below, to require MaplesFS Limited, as share trustee, to purchase (at a nominal price) 100% of the equity interests in the related Owner and to hold the shares of each Owner on the terms of a Charitable Trust. Under each Call Agreement, LATAM will grant the Subordination Agent, for the benefit of the holders of the Certificates and the other secured parties, an option (each, a “**Call Option**”) exercisable at any time, to require LATAM to transfer (at a nominal price) 100% of the equity interests in the related Owner to it or the Charitable Trust under the related Put Agreement. If the Put Option with respect to an Owner is not exercised on or prior to the applicable Exercise Date, the corresponding Call Option will be exercised on such Exercise Date. Each Call Option will also be exercisable upon any Indenture Event of Default. MaplesFS Limited, as share trustee, will take ownership of an Owner’s shares under the related Put Option or Call Option subject to the related Owner Share Pledge, which will continue for the benefit of the holders of the Certificates and the other secured parties.

Equipment Notes

(a) *Owners* Each Owner is a Cayman Islands special purpose company whose assets will include (i) title to each Aircraft owned by such Owner and (ii) the rights of such Owner as lessor under each Lease of an Aircraft owned by such Owner, including the right to receive rent payments thereunder. Under a separate Indenture for each Aircraft, the applicable Owner will issue Series A Equipment Notes and Series B Equipment Notes with respect to each Aircraft it owns, which will be acquired by the Class A Trust and the Class B Trust, respectively. The Owners may also issue Series C Equipment Notes and other junior Equipment Notes in connection with the issuance of Additional Certificates.

Payments in U.S. Dollars required to be made by LATAM under each Lease will be sufficient to pay in full when due all payments required to be made with respect to the related Equipment Notes, and other amounts payable by LATAM under or in connection with each Lease are expected to be in amounts sufficient to enable the related Owner to meet its other payment obligations under the transaction documents.

Each Owner’s board of directors (the “**Board**”) will contain at least one Independent Director. Certain significant actions or proceedings of the Owners, such as insolvency proceedings, the winding up or dissolution of the Owners, amendments to the Owners’ organizational documents, amalgamations or mergers or sales of any asset of the Owners (other than the disposition of any engine or aircraft or part thereof that is permitted under the transaction documents), may only be approved by a unanimous vote of all directors. An “Independent Director”, as used in this section, means a person who, at any time during such person’s tenure as director or during the five years preceding such person’s appointment as director (i) does not have and is not committed to acquire any direct

or indirect financial, legal or beneficial interest in the Owner or LATAM and is not a creditor, supplier, family member, manager, contractor, shareholder, director, officer, employee, subsidiary or affiliate of the Owner or LATAM, (ii) is not connected with the Owner, LATAM or any creditor, supplier, family member, manager, contractor, shareholder, director, officer, employee, subsidiary or affiliate of LATAM, (iii) is not, and has not been on the board of directors of and does not control (directly, indirectly or otherwise) LATAM or any of its affiliates (except in the capacity of Independent Director).

(b) *Interest* The Equipment Notes held in each Trust will accrue interest at the rate per annum applicable to the Certificates issued by such Trust set forth on the cover page of this offering memorandum, subject to the adjustments described in “*Exchange Offer; Registration Rights*”. Interest on the issued and outstanding Equipment Notes will be payable on February 15, May 15, August 15 and November 15 of each year, commencing on the first such date after issuance thereof, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(c) *Principal*..... Principal payments on the issued and outstanding Series A Equipment Notes and Series B Equipment Notes are scheduled to be paid in specified amounts on February 15, May 15, August 15 and November 15 in each year, commencing for both Series on May 15, 2016.

(d) *Redemption* *Aircraft Event of Loss.* If an Event of Loss (as defined herein) occurs with respect to an Aircraft, all of the Equipment Notes issued with respect to such Aircraft will be redeemed. The redemption price in such case will be the unpaid principal amount of such Equipment Notes to be redeemed, together with accrued but unpaid interest, but without any premium or Make-Whole Amount, which will be funded with payments by LATAM in accordance with the Lease for such Aircraft.

Lease Event of Default. To the extent that any Equipment Notes are required to be redeemed as a result of a Lease Event of Default, the redemption price will be the unpaid principal amount of such Equipment Notes, together with accrued but unpaid interest, but without any premium or Make-Whole Amount.

Certain Other Mandatory Redemptions. The applicable Owner will be required to redeem all of the Equipment Notes issued with respect to all affected Aircraft if LATAM exercises its right to terminate a Lease with respect to any such Aircraft prior to the scheduled termination of such Lease if it becomes unlawful for the applicable Owner to lease such Aircraft to LATAM or for LATAM to perform under such Lease or other related transaction documents. The redemption price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued but unpaid interest but without any premium or Make-Whole Amount, which will be funded with payments by LATAM in accordance with the Lease for such Aircraft.

In addition, the applicable Owner will be required to redeem all of the Equipment Notes with respect to an Aircraft in other

circumstances where the leasing of such Aircraft is terminated prior to its scheduled maturity due to the voluntary option of LATAM, *provided* that LATAM shall simultaneously exercise such option in respect of all other Aircraft. The redemption price in each such case will be the unpaid principal amount of such Equipment Notes, together with accrued but unpaid interest and a premium, if any, equal to the Make-Whole Amount, which will be funded with payments by LATAM in accordance with the Leases.

(e) *Optional Redemption* LATAM may elect to cause the Owners to redeem all, but not less than all, of the Equipment Notes with respect to an Aircraft at any time prior to maturity, *provided* that all outstanding Equipment Notes with respect to all other Aircraft are simultaneously redeemed. The redemption price will be the unpaid principal amount of the Equipment Notes, together with accrued but unpaid interest, plus Make-Whole Amount, if any. In addition, LATAM may elect to cause the Owners to redeem all of the Series B Equipment Notes or any series of Additional Equipment Notes, if issued, in connection with a refinancing of such Series, in each case, plus a Make-Whole Amount, if any.

(f) *Security* *Security for Equipment Notes.* The Equipment Notes issued with respect to each Aircraft will be secured by substantially all of the related Owner's assets, including an assignment by way of security over such Owner's interests in the related Leases (including an assignment of the right to receive certain insurance proceeds), as well as a local law aircraft mortgage over such Aircraft. With respect to each Aircraft registered in Chile, the Lease, the Lease assignment and a Chilean law Aircraft mortgage will be registered with the Chilean Director General of Civil Aviation (*Dirección General de Aeronáutica Civil*). With respect to each Aircraft registered in Brazil, the Sublease, the Sublease assignment and a Brazilian law Aircraft mortgage will be registered with the Brazilian Civil Aviation Authority (*Agência Nacional de Aviação Civil*) ("ANAC") and International Registry under the Cape Town Treaty.

Owner Share Pledges. The issued share capital of each Owner and the prospective rights of the Charitable Trust in the issued share capital of each Owner under the Call Agreements will be pledged to secure the Equipment Note obligations.

Sublease Security. LATAM's rights in each Sublease will be pledged to secure the related Lease and Equipment Note obligations. With respect to the subleased Aircraft, each Sublease, Sublease assignment and aircraft mortgage will be registered with the International Registry under the Cape Town Treaty.

(g) *Equipment Note Guarantees* Each Owner guarantee the obligations of each other Owner relating to the Equipment Notes issued by such other Owner.

(h) *Cross-Collateralization*..... The Equipment Notes issued by all Owners will be cross-collateralized. This means that any proceeds from the exercise of remedies following an Event of Default with respect to an Aircraft will be available to cover shortfalls then due under the outstanding Equipment Notes issued with respect to the other Aircraft. In the absence of any such shortfall, excess proceeds will be held as

additional collateral for such other Equipment Notes.

(i) *Cross-Default*..... There will be cross-default provisions among all the Indentures and there will be cross-default provisions among all the Leases. A Lease Event of Default will also constitute an Indenture Event of Default and vice versa. This means that:

- In the case of the Indentures, if an event of default occurs and is continuing under the Equipment Notes issued with respect to one Aircraft, an event of default will also occur under the Leases, the other Indentures and the Equipment Notes issued with respect to the remaining Aircraft, and remedies will be exercisable with respect to all Aircraft under all Leases and Indentures.
- In the case of the Leases, if there is an event of default under one of the Leases and remedies are exercisable with respect to the Aircraft under such Lease, an event of default will also occur under the other Leases and the Indentures and, in the case of Aircraft subleased to the Sublessee, under the Subleases, and remedies will be exercisable with respect to all Aircraft under all Leases and Indentures and, if applicable, all Subleases.
- Upon the termination of any Lease or the exercise of any remedies with respect to any Aircraft, the Loan Trustee acting at the direction of the Controlling Party will also have the right to terminate any Sublease or any other sublease or interchange of such Aircraft.

See “*Description of the Equipment Notes—Certain Provisions of the Leases—Lease Events of Default*” and “*Description of the Equipment Notes—Indenture Events of Default, Notice and Waiver*”.

(j) *Cape Town*..... The Cape Town Treaty has not been adopted in Chile, but has been adopted in Brazil. With respect to the Aircraft that are registered in Brazil and subject to Subleases with the Sublessee, the Loan Trustees for the Equipment Notes related to such Aircraft will be entitled to the benefit of the Convention and Alternative A under the related Protocol as adopted by Brazil in the exercise of its remedies. See “*Description of the Equipment Notes—Certain Provisions of the Leases—Ability to Repossess the Aircraft and Insolvency Law*”.

Certain United States Tax Considerations..... No Trust will be treated as a corporation or other entity taxable as a corporation for United States federal income tax purposes. Each U.S. person acquiring an interest in Certificates generally should report on its federal income tax return its pro rata share of income from the relevant Deposits and income from the Equipment Notes and other property held by the relevant Trust. Prospective investors in the Certificates should carefully consider the tax consequences of investing in the Certificates. See “*Certain Cayman Islands Tax Considerations*”, “*Certain U.S. Federal Income Tax Considerations*” and “*Certain Delaware Taxes*”.

Certain United States ERISA Considerations Each person who acquires a Certificate will be deemed to have (1) represented that either: (a) no employee benefit plan assets have been used to purchase or hold such Certificate or any interest therein or (b) the purchase and holding of such Certificate or any interest therein is exempt from the prohibited transaction restrictions of the

United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) and the United States Internal Revenue Code of 1986 (the “**Code**”) pursuant to one or more prohibited transaction statutory or administrative exemptions and (2) directed the corresponding Trust to invest in the assets held in the Trust pursuant to the terms and conditions described herein. See “*Certain U.S. ERISA Considerations*”.

Rating of the Certificates..... It is a condition to the issuance of the Certificates that they be rated by the Rating Agencies not less than the ratings set forth below:

Certificates	Moody’s	S&P
Class A	A2	A-
Class B	Baa2	BBB-

A rating is not a recommendation to purchase, hold or sell Certificates, because such rating does not address market price or suitability for a particular investor. There can be no assurance that such ratings will not be lowered or withdrawn by either or both of Moody’s and S&P.

	Moody’s (short-term)	S&P (long-term)
Threshold Rating for the Depositary	P-1	A-

Depositary Rating..... The Depositary meets the Depositary Threshold Rating requirement.

	Moody’s	S&P
Threshold Rating for the Liquidity Provider (Long-Term).....		
Class A	Baa2	BBB
Class B	Baa2	BBB-

Liquidity Provider Rating..... The Liquidity Provider meets the Liquidity Threshold Rating requirement.

Governing Law..... The Certificates, the Indentures, the Equipment Notes, the Put Agreements, the Call Agreements, the Leases and the Subleases will be governed by the laws of the State of New York. The aircraft mortgages for all Aircraft registered in Chile will be governed by the laws of Chile. The aircraft mortgages for all Aircraft registered in Brazil will be governed by the laws of Brazil. The Owner Share Pledges will be governed by the laws of the Cayman Islands.

Transfer Restrictions..... The Certificates have not been registered under the Securities Act or any U.S. state securities laws or the securities laws of Chile. Accordingly, the Certificates may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws and the provisions of applicable Chilean securities laws. The Certificates are not transferable except in accordance with the restrictions described in this offering memorandum. See “*Transfer Restrictions*”.

Exchange Offer; Registration Rights..... Pursuant to (x) a registration rights agreement among LATAM,

Citigroup Global Markets Inc., as representative of the initial purchasers of the Class A Certificates, and the Class A Trustee, and (y) a separate registration rights agreement among LATAM, Citigroup Global Markets Inc., as representative of the initial purchasers of the Class B Certificates, and the Class B Trustee, LATAM is obligated, at no cost to the Certificateholders of each class of Certificates, to use reasonable best efforts either (i) to consummate an exchange offer for the Certificates of such class, subject to certain conditions, pursuant to an effective registration statement by no later than 455 days after the Issuance Date or (ii) to cause resales of the Certificates of such class to be registered under the Securities Act by no later than the 455th day after the Issuance Date. If one of these events does not occur with respect to such class of Certificates by the 455th day after the Issuance Date, the interest rate on such Certificates and the related Equipment Notes will increase by 0.50% per annum effective as of the first day after such 455th day, but only until such exchange offer or registration is completed with respect to such Certificates. See “*Exchange Offer; Registration Rights.*”

SUMMARY FINANCIAL AND OPERATING DATA

The summary consolidated annual financial information set forth below as of December 31, 2014, 2013 and 2012 and for the years ended December 31, 2014, 2013 and 2012 has been derived from our audited consolidated financial statements. Our audited consolidated financial statements are prepared in accordance with IFRS.

The information below should be read in conjunction with the footnotes and our audited consolidated financial statements for the years ended December 31, 2014, 2013 and 2012 and related notes, which are incorporated by reference in this offering memorandum, as well as “Management’s Discussion and Analysis of Results of Operations and Financial Information” and “Presentation of Information” included elsewhere in this offering memorandum.

	As of December 31,		
	2014	2013	2012
	<i>(in U.S. \$ millions)</i>		
The Company^{(a)(b)}			
Statement of income data:			
Operating revenues:			
Passenger	10,380.1	11,061.6	7,966.8
Cargo	1,713.4	1,863.0	1,743.5
Total operating revenues	12,093.5	12,924.5	9,710.4
Cost of sales	(9,624.5)	(10,054.2)	(7,634.5)
Gross margin	2,469.0	2,870.4	2,075.9
Other operating income ^(c)	377.6	341.6	220.2
Distribution costs	(957.1)	(1,025.9)	(803.6)
Administrative expenses	(980.7)	(1,136.1)	(888.7)
Other expenses	(401.0)	(408.7)	(311.8)
Other gains / (losses)	33.5	(55.4)	(45.8)
Financial income	90.5	72.8	77.5
Financial costs	(430.0)	(462.5)	(294.6)
Equity accounted earnings	(6.5)	2.0	1.0
Exchange rate differences	(130.2)	(482.2)	66.7
Result of indexation units	0.0	0.2	0.0
Income / (loss) before income taxes	65.2	(283.9)	96.7
Income tax recovery / (expense)	(292.4)	20.1	(102.4)
Net income / (loss) for the period	(227.2)	(263.8)	(5.6)
Income / (loss) attributable to the parent company’s equity holders	(260.0)	(281.1)	19.1
Income / (loss) attributable to non-controlling interests	32.8	17.3	13.4
Net income / (loss) for the period	(227.2)	(263.8)	(5.6)
The Company	2014	2013	2012
	<i>(in U.S. \$ millions)</i>		
Statement of financial position data:			
Cash and cash equivalents	989.4	1,984.9	650.3
Other current assets in operation	2,644.1	2,992.2	2,626.2
Non-current assets (or disposal groups) classified as held for sale or as distribution to owners	1.1	2.4	47.7
Total current assets	3,634.6	4,979.5	3,324.2
Property, plant and equipment	10,773.1	10,982.8	11,807.1
Other non-current assets	6,076.7	6,668.8	7,195.0
Total non-current assets	16,849.8	17,651.6	19,002.1
Total assets	20,484.4	22,631.1	22,326.3
Total current liabilities	5,829.7	6,509.1	6,297.5
Total non-current liabilities	10,151.0	10,795.6	10,808.1
Total liabilities	15,980.7	17,304.7	17,105.6
Share capital	2545.7	2,389.4	1,501.0
Parent’s ownership interest	4,401.0	5,238.8	5,112.1
Non-controlling interest	101.8	87.6	108.6
Total equity	4,503.7	5,326.5	5,220.7
Total liabilities and equity	20,484.4	22,631.1	22,326.3

- (a) For more information on the subsidiaries included in this consolidated financial information, see Note 1 to our audited consolidated financial statements incorporated herein by reference.
- (b) The addition of the items may differ from the total amount due to rounding.
- (c) Other operating income included in this Statement of Income Data is equivalent to the sum of income derived from duty free operations, aircraft leasing, logistics and courier operations, customs and warehousing operations, tours and other miscellaneous income.
- (*) In connection with the financial information as of December 31, 2014, Law No. 20,780 issued on September 29, 2014, introduced modifications to the Chilean income tax system and other tax matters. On October 17, 2014 the Chilean Superintendence of Securities and Insurance (the “SVS”) issued Circular No. 856, which established that the effects of the change in the income tax rates on deferred tax assets and liabilities must be recognized within “Retained earnings” rather than the income statement as required by IAS 12. In order to comply with IAS 12, the financial statements for the period ended December 31, 2014 differ from those presented to the SVS, as the effects of the change in the income tax rates on deferred tax assets and liabilities were recognized within the income statement. For more information on the reconciliation of such differences see Note 2.1 and see Note 17 in our audited consolidated financial statements.

The Company

	For the year ended and as of December 31,		
	2014	2013	2012
Operating Data:			
ASKs (million).....	130,200.9	131,690.7	93,319.2
RPKs (million).....	108,534.0	106,466.4	74,694.9
Passenger Load Factor.....	83.4%	80.8%	80.0%
Yield based on RPKs (US Cents).....	US\$9.6	US\$10.4	US\$10.7
ATKs (million).....	7,219.7	7,651.9	6,449.6
RTKs (million).....	4,317.2	4,466.7	4,044.5
Cargo Load Factor.....	59.8%	58.4%	62.7%
Yield based on RTKs (US Cents).....	US\$39.7	US\$41.7	US\$43.1

IFRS/Non-IFRS Reconciliation

We believe that Adjusted EBITDAR provides a useful supplemental measure to examine the underlying performance of the business, and our management uses this metric, as well as Adjusted EBITDAR margin, in evaluating our operating performance. We provide information regarding EBITDAR in press releases containing our quarterly and annual earnings reports that is calculated on a basis that is different from the calculation of Adjusted EBITDAR used in this offering document. The differences between EBITDAR as presented in our earnings reports for the periods presented in the table below and Adjusted EBITDAR as presented below are immaterial. The table below reconciles our Adjusted EBITDAR to our net income for the periods presented.

	Year ended December 31,		
	2014	2013	2012
	(in U.S. \$ millions)		
Reconciliation of Adjusted EBITDAR			
Net income / (loss) for the period	(227.2)	(263.8)	(5.6)
(+) Financial costs	430.0	462.5	294.6
(-) Financial income	(90.5)	(72.8)	(77.5)
(-) Income tax recovery / (expense)	292.4	(20.1)	102.4
	404.7	105.8	313.9
(+) Depreciation and amortization	991.3	1,041.7	771.1
	1,396.0	1,147.5	1,085.0
(+) Aircraft rental	521.4	441.1	308.8
	1,917.4	1,588.6	1,393.8
(-) Other gains / (losses).....	(33.5)	55.4	45.8
(-) Equity accounting earnings	6.5	(2.0)	(1.0)
(-) Exchange rate differences	130.2	482.2	(66.7)
(-) Result of indexation units	0.0	(0.2)	0.0
Adjusted EBITDAR.....	2,020.6	2,124.0	1,371.9

Adjusted EBITDAR margin is calculated as Adjusted EBITDAR divided by “total revenues,” which is the sum of our passenger revenues, cargo revenues and other operating income, as shown in the table below.

	Year ended December 31,		
	2014	2013	2012
	<i>(in U.S. \$ millions, except percentages)</i>		
Adjusted EBITDAR	2,020.6	2,124.0	1,371.9
Passenger	10,380.1	11,061.6	7,966.8
Cargo	1,713.4	1,863.0	1,743.5
Other operating income	377.6	341.6	220.2
Total revenues	12,471.1	13,266.2	9,930.5
Adjusted EBITDAR margin	16.2%	16.0%	13.8%

RISK FACTORS

An investment in the Certificates involves certain risks. You should carefully consider the risks described below, as well as the other information included or incorporated by reference in this offering memorandum or incorporated by reference herein, before making an investment decision. LATAM's business, financial condition or results of operations, or the value and other attributes of the Certificates, including the collateral securing the Certificates, could be materially adversely affected by any of these risks, as well as other risks of which LATAM is not currently aware or which it currently deems to be immaterial. The market price of the Certificates could decline due to any of these risks or other factors, and you may lose all or part of your investment.

Risk Factors Relating to LATAM

LATAM does not control the voting shares or board of directors of TAM

Following the combination of LAN and TAM:

- Holdco I owns 100% of the TAM common shares previously outstanding;
 - the TAM Controlling Shareholders own approximately 80.58% of the outstanding Holdco I voting shares through TEP Chile (a wholly owned Chilean entity) and LAN owns the remainder of the voting shares.
 - LATAM owns 100% of the outstanding Holdco I non-voting shares, entitling it to substantially all of the economic rights in respect of the TAM common shares held by Holdco I; and
- LATAM owns 100% of the TAM preferred shares previously outstanding.

As a result of this ownership structure:

- TAM and each airline subsidiary of TAM retain voting and board control of TAM and each airline subsidiary of TAM; and
- LATAM is entitled to all of the economic rights in TAM.

LATAM, TEP Chile and other parties have entered into shareholders' agreements that establish agreements and restrictions relating to corporate governance. Certain specified actions require supermajority approval, which in turn means they require the prior approval of both LATAM and TEP Chile. Examples of actions requiring supermajority approval by the board of directors of Holdco I or TAM include, among others, entering into acquisitions or business collaborations, amending or approving budgets, business plans, financial statements and accounting policies, incurring indebtedness, encumbering assets, entering into certain agreements, making certain investments, modifying rights or claims, entering into settlements, appointing executives, creating security interests, issuing, redeeming or repurchasing securities and voting on matters as a shareholder of subsidiaries of TAM. Actions requiring supermajority shareholder approval of Holdco I or TAM include, among others, certain changes to the by-laws of Holdco I, TAM or TAM's subsidiaries or any dissolution/liquidation, corporate reorganization, payment of dividends, issuance of securities, disposal or encumbrance of certain assets, creation of security interests or entering into guarantees and agreements with related parties. For more information on the shareholders' agreements. See "Form 20-F, Item 7. Controlling Shareholders and Related Party Transactions—Shareholders' Agreements," incorporated by reference.

LATAM's assets include a significant amount of goodwill.

The assets of the LATAM Airlines Group included US\$3,313.4 million of goodwill as of December 31, 2014, US\$3,168.7 million of which results from the merger with TAM. Under IFRS, goodwill is subject to an annual impairment test and may be required to be tested more frequently if events or circumstances indicate a potential impairment. Any impairment could result in the recognition of a significant charge to earnings in LATAM's

statement of income, which could materially and adversely impact our consolidated results for the period in which the impairment occurs.

A failure to successfully implement LATAM's strategy would harm its business and the market value of its ADSs and common shares.

LATAM has developed a new strategic plan with the goal of becoming one of the best groups of airlines in the world and renewing our commitment to sustained profitability and superior returns to shareholders. We based our strategic plan on five central factors: Customer Experience, Network, Efficiency and Cost Reduction, Organization Strength and Proactive Risk Management. Our new strategy requires us to identify value propositions that are attractive to our clients, to find efficiencies in our daily operations, and to transform ourselves into a stronger and more risk resilient company. Our strategic plan also anticipates strengthening our network and requires us to identify cities with adequate infrastructure and sufficient demand. There can be no assurances, however, that we will be able to correctly identify cities and regions in which to expand our operations, or that we will be able to attract sufficient passengers and cargo traffic to make our operations profitable. Difficulties in implementing our strategy and expanding our operations may adversely affect our business, results of operation and the market value of our ADSs and common shares.

A failure to successfully implement the new single brand may adversely affect LATAM business and the market value of its ADSs and common shares.

Since the combination, LAN and TAM have continued to operate with their original brands. LATAM Airlines Group has begun the transition of LAN and TAM into a single brand by gradually harmonizing the product and services offered by both airlines, although the launch date for the new brand has not yet been determined. LAN and TAM currently have different value propositions, and there can be no assurances that we will be able to fully transfer the value of the original LAN and TAM brands to the new single brand. Difficulties in implementing our single brand may prevent us from consolidating as a customer preferred carrier and may adversely affect our business and results of operations and the market value of our ADSs and common shares.

It may take time to combine the frequent flyer programs of LAN and TAM.

LAN and TAM each previously ran their own frequent flyer programs. While LATAM has integrated these programs so that passengers can use frequent flyer miles earned with either LAN or TAM interchangeably, there is no guarantee that the full integration will be completed in the near term or at all. Even if the integration occurs, the successful integration of these programs will involve some time and expense. Until LATAM effectively combines these programs, passengers may prefer frequent flyer programs offered by other airlines, which may adversely affect our business.

The financial results of LATAM are exposed to foreign currency fluctuations.

LATAM prepares and presents its consolidated financial statements in U.S. dollars. Because of LATAM's presence in several Latin American markets, a portion of its consolidated net assets, revenues and income is denominated in non-U.S. dollar currencies, primarily Chilean pesos and Brazilian reais. In particular, the majority of TAM's revenues are denominated in Brazilian reais, while a significant portion of its operating expenses are denominated in, or linked to, the U.S. dollar or other foreign currencies. The consolidated financial condition and results of operations of LATAM is therefore sensitive to movements in exchange rates between the U.S. dollar and other currencies. A depreciation of non-U.S. dollar currencies relative to the U.S. dollar could have an adverse impact on the financial condition, results of operations and prospects of LATAM.

LATAM depends on strategic alliances or commercial relationships in many of the countries in which it operates and its business may suffer if any of its strategic alliances or commercial relationships terminates.

In many of the jurisdictions in which we operate, we have found it in our interest to maintain a number of alliances and other commercial relationships. These alliances or commercial relationships allow us to enhance our network and, in some cases, to offer our customers services that we could not otherwise offer. If any of our strategic alliances or commercial relationships and, in particular, with American Airlines, Iberia, Qantas or oneworld[®], Japan Airlines,

Korean Airlines, Cathay Pacific, Alaska Airlines deteriorates, or any of these agreements are terminated, our business, financial condition and results of operations could be negatively affected.

LATAM's business and results of operation may suffer if we fail to obtain and maintain routes, suitable airport access, slots and other operating permits.

LATAM's business depends upon our access to key routes and airports. Our operations could be constrained by any delay or inability to gain access to key routes or airports, including:

- limitations on our ability to process more passengers;
- the imposition of flight capacity restrictions;
- the inability to secure or maintain route rights in local markets or under bilateral agreements; or
- the inability to maintain our existing slots and obtain additional slots.

LATAM operates numerous international routes, subject to bilateral agreements, and also internal flights within Chile, Peru, Brazil, Argentina, Ecuador, Colombia and other countries, subject to local route and airport access approvals. Bilateral aviation agreements as well as local aviation approvals frequently involve political and other considerations outside of our control. See "*Form 20-F, Item 4. Information on the Company—Business Overview—Regulation,*" incorporated by reference.

There can be no assurance that existing bilateral agreements between the countries in which our companies are based and permits from foreign governments will continue. A modification, suspension or revocation of one or more bilateral agreements could have a material adverse effect on our business, financial condition and results of operations. The suspension of our permission to operate in certain airports, destinations or slots or the imposition of other sanctions could also have a material adverse effect. A change in the administration of current laws and regulations or the adoption of new laws and regulations in any of the countries in which we operate that restricts our route, airport or other access may have a material adverse effect on our business, financial condition and results of operations.

A significant portion of our cargo revenues come from relatively few product types and may be impacted by events affecting their production or trade.

Our cargo demand, especially from Latin American exporters, is concentrated in a small number of product categories, such as exports of fish, sea products and fruits from Chile and asparagus from Peru, and exports of fresh flowers from Ecuador and Colombia. Events that negatively affect the production or trade of these goods may adversely affect the volume of goods that we transport and may have a significant impact on our results of operations. Some of our cargo products are sensitive to foreign exchange rates and, therefore, traffic volumes could be impacted by the appreciation or depreciation of local currencies.

Our operations are subject to fluctuations in the supply and cost of jet fuel, which could negatively impact our business.

Higher jet fuel prices or a shortage in the supply of fuel could cause a reduction in our scheduled service and could have a materially negative effect on our business, financial condition and results of operations. Jet fuel costs have historically accounted for a significant amount of our operating expenses, and accounted for approximately 35% of our operating expenses in 2014. Both the cost and availability of fuel are subject to many economic and political factors and events that we can neither control nor predict. We have entered into fuel hedging arrangements, but there can be no assurance that such arrangements will be adequate to protect us from a significant increase in fuel prices in the near future or in the long term. Also, while these hedging arrangements are designed to limit the effect of an increase in fuel prices, some of our hedging methods may also limit our ability to take advantage of any decrease in fuel prices as was the case during the second half of 2014. Although we have implemented measures to pass a portion of incremental fuel costs to our customers, our ability to lessen the impact of any increase using these types of mechanisms may be limited.

We rely on maintaining a high daily aircraft utilization rate to increase our revenues, which makes us especially vulnerable to delays.

One of the key elements of our business strategy is to maintain a high daily aircraft utilization rate, which measures the number of flight hours we use our aircraft per day. High daily aircraft utilization allows us to maximize the amount of revenue we generate from our aircraft and is achieved, in part, by reducing turnaround times at airports and developing schedules that enable us to increase the average hours flown per day. Our rate of aircraft utilization could be adversely affected by a number of different factors that are beyond our control, including air traffic and airport congestion, adverse weather conditions and delays by third-party service providers relating to matters such as fueling and ground handling. If an aircraft falls behind schedule, the resulting delays could cause a disruption in our operating performance.

We fly and depend upon Airbus and Boeing aircraft, and our business could suffer if we do not receive timely deliveries of aircraft, if aircraft from these companies becomes unavailable or if the public negatively perceives our aircraft.

As our fleet has grown, our reliance on Airbus and Boeing has also grown. As of December 31, 2014, we operated a fleet of 247 Airbus, 73 Boeing and 7 Bombardier aircraft. These risks include:

- our failure or inability to obtain Airbus, Boeing or Bombardier aircraft, parts or related support services on a timely basis because of high demand or other factors;
- the interruption of fleet service as a result of unscheduled or unanticipated maintenance requirements for these aircraft;
- the issuance by Chilean or other aviation authorities of other directives restricting or prohibiting the use of Airbus, Boeing or Bombardier aircraft, or requiring time-consuming inspections and maintenance;
- the adverse public perception of a manufacturer as a result of an accident or other negative publicity; or
- delays between the time we realize the need for new aircraft and the time it takes us to arrange for Airbus, Boeing or Bombardier or from a third-party provider to deliver this aircraft.

The occurrence of any one or more of these factors could restrict our ability to use aircraft to generate profits, respond to increased demands, or could otherwise limit our operations and adversely affect our business.

Any delays in Airbus A350 aircraft deliveries could disrupt our fleet plan.

During 2015, LATAM Airlines expects to receive its first Airbus A350 aircraft out of an order of 27 aircraft of this model, and will become the first airline in Latin America to operate this modern new technology aircraft. Any delays in the reception of the aircraft or unanticipated operational issues with this new aircraft model could adversely affect our fleet plan.

If we are unable to incorporate leased aircraft into our fleet at acceptable rates and terms in the future, our business could be adversely affected.

A large portion of our aircraft is subject to long-term operating leases. Our operating leases typically run from three to twelve years from the date of delivery. We may face more competition for, or a limited supply of, leased aircraft, making it difficult for us to negotiate on competitive terms upon expiration of our current operating leases or to lease additional capacity required for our targeted level of operations. If we are forced to pay higher lease rates in the future to maintain our capacity and the number of aircraft in our fleet, our profitability could be adversely affected.

Our business may be adversely affected if we are unable to meet our significant future financing requirements.

We require significant amounts of financing to meet our aircraft capital requirements and may require additional financing to fund our other business needs. We cannot guarantee that we will have access to or be able to arrange for financing in the future on favorable terms. Following the combination of LAN and TAM, Fitch Ratings Inc. and S&P downgraded LATAM Airline Group S.A.'s credit rating to BB, which is below investment grade. These downgrades and any further securities rating agencies downgrades could increase LATAM's financing costs. If we are unable to obtain financing for a significant portion of our capital requirements, our ability to acquire new aircraft or to expand operations could be impaired and our business negatively affected.

Our business may be adversely affected by our high degree of debt and aircraft lease obligations compared to our equity capital.

We have a high degree of debt and payment obligations under our aircraft operating leases compared to equity capital. In order to finance our debt, we depend in part on our cash flow from operations. We cannot assure you that in the future we will be able to meet our payment obligations. In addition, the majority of our property and equipment is subject to liens securing our indebtedness. In the event that we fail to make payments on the secured indebtedness, creditors' enforcement of liens could limit or end our ability to use the affected property and equipment to fulfill our operational needs and thus generate revenue.

Variations in interest rates may have adverse effects on our interest payments business, financial condition, results of operations and prospects and the trading price of our ADRs and BDRs and preferred shares.

We are exposed to the risk of interest rate variations, principally in relation to the U.S. dollar London Interbank Offer Rate ("LIBOR"). Many of our operating and financial leases are denominated in U.S. dollars and bear interest at a floating rate. Approximately 38% of LATAM's outstanding consolidated debt as of December 31, 2014 bears interest at a floating rate. After giving effect to interest rate hedging agreements, a fixed rate using derivative instruments, approximately 32% of LATAM's outstanding consolidated debt is exposed to floating rates.

Volatility in LIBOR or the TJLP could increase our periodic interest and lease payments and have an adverse effect on our total financing costs. We may be unable to adequately adjust our prices to offset any increased financing costs, which would have an adverse effect on our revenues and our results of operations.

Increases in insurance costs and/or significant reductions in coverage could harm our financial condition and results of operations.

Major events affecting the aviation insurance industry (such as terrorist attacks, hijackings or airline crashes) may result in significant increases of the airlines' insurance premiums or in significant decreases of insurance coverage, as occurred after the September 11, 2001 terrorist attacks. Increases in insurance costs and/or significant reductions in coverage could harm our financial condition and results of operations and increases the risk that we experience uncovered losses.

Problems with air traffic control systems or other technical failures could interrupt our operations and have a material adverse effect on our business.

Our operations, including our ability to deliver customer service, are dependent on the effective operation of our equipment, including our aircraft, maintenance systems and reservation systems. Our operations are also dependent on the effective operation of domestic and international air traffic control systems and the air traffic control infrastructure in the markets in which we operate. Equipment failures, personnel shortages, air traffic control problems and other factors that could interrupt operations could adversely affect our operations and financial results as well as our reputation.

Our business relies extensively on third-party service providers. Failure of these parties to perform as expected, or interruptions in our relationships with these providers or their provision of services to us, could have an adverse effect on our financial position and results of operations.

We have engaged an increasing number of third-party service providers to perform a large number of functions that are integral to our business, including regional operations, operation of customer service call centers, distribution and sale of airline seat inventory, provision of information technology infrastructure and services, provision of aircraft maintenance and repairs, provision of various utilities and performance of aircraft fueling operations, among other vital functions and services. We do not directly control these third-party service providers, although we do enter into agreements with many of them that define expected service performance. Any of these third-party service providers, however, may materially fail to meet their service performance commitments, may suffer disruptions to their systems that could impact their services, or the agreements with such providers may be terminated. For example, flight reservations booked by customers and/or travel agencies via third-party global distribution systems (“GDSs”) may be adversely affected by disruptions in our business relationships with GDS operators. Such disruptions, including a failure to agree upon acceptable contract terms when contracts expire or otherwise become subject to renegotiation, may cause the carriers’ flight information to be limited or unavailable for display, significantly increase fees for both us and GDS users, and impair our relationships with customers and travel agencies. The failure of any of our third-party service providers to adequately perform their service obligations, or other interruptions of services, may reduce our revenues and increase our expenses or prevent us from operating our flights and providing other services to our customers. In addition, our business, financial performance and reputation could be materially harmed if our customers believe that our services are unreliable or unsatisfactory.

Disruptions or security breaches of our information technology infrastructure could interfere with our operations, compromise passenger or employee information and expose us to liability, possibly causing our business and reputation to suffer.

A serious internal technology error or failure impacting systems hosted internally at our data centers or externally at third-party locations, or large scale external interruption in technology infrastructure we depend on, such as power, telecommunications or the internet, may disrupt our technology network. Our technology systems and related data may also be vulnerable to a variety of sources of interruption, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. While we have in place, and continue to invest in, technology security initiatives and disaster recovery plans, these measures may not be adequate or implemented properly to prevent a business disruption and its adverse financial and reputational consequences to our business.

In addition, as a part of our ordinary business operations, we collect and store sensitive data, including personal information of our passengers and employees and information of our business partners. The secure operation of the networks and systems on which this type of information is stored, processed and maintained is critical to our business operations and strategy. Unauthorized parties may attempt to gain access to our systems or information through fraud or other means of deception. Hardware or software we develop or acquire may contain defects that could unexpectedly compromise information security. The compromise of our technology systems resulting in the loss, disclosure, misappropriation of, or access to, customers’, employees’ or business partners’ information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disruption to our operations and damage to our reputation, any or all of which could adversely affect our business.

Our financial success depends on the availability and performance of key personnel, who are not subject to non-competition restrictions.

Our success depends to a significant extent on the ability of our senior management team and key personnel to operate and manage our business effectively. Our employment agreements with key personnel do not contain any non-competition provisions applicable upon termination. If we lose any executive officer, senior manager or other key employee and are not able to obtain an adequate replacement, or if we are unable to attract and retain new qualified personnel, our business, financial condition and results of operations could be materially adversely affected.

Our business may experience adverse consequences if we are unable to reach satisfactory collective bargaining agreements with our unionized employees.

As of December 31, 2014 approximately 67% of LATAM's employees, including administrative personnel, cabin crews, flight attendants, pilots and maintenance technicians are members of unions and have contracts and collective bargaining agreements which expire on a regular basis. Our business, financial condition and results of operations could be materially adversely affected by a failure to reach agreement with any labor union representing such employees or by an agreement with a labor union that contains terms that are not in line with our expectations or that prevents us from competing effectively with other airlines.

Collective action by employees could cause operating disruptions and negatively impact our business.

Certain employee groups such as pilots, flight attendants, mechanics and our airport personnel have highly specialized skills. As a consequence, actions by these groups, such as strikes, walk-outs or stoppages, could severely disrupt our operations and negatively impact our operating and financial performance, as well as our image.

Increases in our labor costs, which constitute a substantial portion of our total operating expenses, could directly impact our earnings.

Labor costs constitute a significant percentage of our total operating expenses (20% in 2014) and at times in our operating history we have experienced pressure to increase wages and benefits for our employees. A significant increase in our labor costs above the assumed costs could result in a material reduction in our earnings.

We may experience difficulty finding, training and retaining employees.

Our business is labor intensive. We employ a large number of pilots, flight attendants, maintenance technicians and other operating and administrative personnel. The airline industry has, from time to time, experienced a shortage of qualified personnel, specifically pilots and maintenance technicians. In addition, as is common with most of our competitors, we may, from time to time, face considerable turnover of our employees. Should the turnover of employees, particularly pilots and maintenance technicians, sharply increase, our training costs will be significantly higher. A failure to recruit, train and retain qualified employees at a reasonable cost could materially adversely affect our business, financial condition and results of operations.

Risks Related the Airline Industry

Our performance is heavily dependent on economic conditions in the countries in which we do business and negative economic conditions in those countries could have an adverse impact on our business.

Passenger and cargo demand is heavily cyclical and highly dependent on global and local economic growth, economic expectations and foreign exchange rate variations, among other things. Our business has been negatively affected by global economic recessionary conditions, weak economic growth in Chile, in Brazil, recession in Argentina and poor economic performance in certain emerging market countries in which we operate. The occurrence of similar events in the future could adversely affect our business. We will continue to work on operations based in Latin America and our performance will, therefore, continue to depend heavily on economic conditions in the region. Any of the following factors could adversely affect our business, financial condition and results of operations in the countries in which we operate:

- changes in economic or other governmental policies;
- weak economic performance, including, but not limited to, low economic growth, low consumption and/or investment rates, and increased inflation rates; or
- other political or economic developments over which we have no control.

No assurance can be given that capacity reductions or other steps we may take in response to weakened demand will be adequate to offset any future reduction in our cargo and/or air travel demand. Sustained weakened demand may adversely impact our revenues, results of operations or financial condition.

Our business is highly regulated and changes in the regulatory environment in which we operate may adversely affect our business and results of operations.

Our business is highly regulated and depends substantially upon the regulatory environment in the countries in which we operate or intend to operate. For example, price controls on fares may limit our ability to effectively apply customer segmentation profit maximization techniques (“**passenger revenue management**”) and adjust prices to reflect cost pressures. High levels of government regulation may limit the scope of our operations and our growth plans, and the possible failure of aviation authorities to maintain the required governmental authorizations or our failure to comply with applicable regulations, may adversely affect our business and results of operations.

Losses and liabilities in the event of an accident involving one or more of our aircraft could materially affect our business.

We are exposed to potential catastrophic losses in the event of an aircraft accident, terrorist incident or any other similar event. There can be no assurance that, as a result of an aircraft accident or significant incident:

- we will not need to increase our insurance coverage;
- our insurance premiums will not increase significantly;
- our insurance coverage will fully cover all of our liability; or
- we will not be forced to bear substantial losses.

Substantial claims resulting from an accident or significant incident in excess of our related insurance coverage could have a material adverse effect on our business, financial condition and results of operations. Moreover, any aircraft accident, even if fully insured, could cause the negative public perception that our aircraft are less safe or reliable than those operated by other airlines, which could have a material adverse effect on our business, financial condition and results of operations.

Insurance premiums may also increase due to an accident or incident affecting one of our alliance partners or other airlines.

High levels of competition in the airline industry may adversely affect our level of operations.

Our business, financial condition and results of operations could be adversely affected by high levels of competition within the industry, particularly the entrance of new competitors into the markets in which we operate. Airlines compete primarily over fare levels, frequency and dependability of service, brand recognition, passenger amenities (such as frequent flyer programs) and the availability and convenience of other passenger or cargo services. New and existing airlines (and companies providing ground cargo transportation) could enter our markets and compete with us on any of these bases, including by offering lower prices, more attractive services or increasing their route capacities in an effort to gain greater market share.

Chile has opened its domestic aviation industry to foreign airlines without restrictions, which may change the competitive landscape of the domestic Chilean aviation sector and affect our business and results of operations.

Since November 2013, Chilean laws and regulations have permitted foreign airlines to operate domestic flights in Chile without necessarily setting up a Chilean subsidiary first.

The Chilean Domestic Unilateral Open Skies Rule may change the competitive landscape of the domestic Chilean aviation sector, as it will be easier for foreign companies in the future to freely operate in the Chilean territory, which may subject us to further competition. Competition from international carriers in the Chilean market may affect the competitive dynamics of our industry by reducing our passenger traffic and cargo demands, forcing us to reduce our fare levels, which could have a material adverse effect on our revenues and level of operations.

The reallocation of any of TLA's slots to other market participants could adversely affect our operations.

The Brazilian government has proposed and in some cases already implemented, regulations to reallocate existing takeoff and landing slots at major airports in Brazil from TLA and our competitor, VRG Linhas Aéreas S.A. (GOL), to smaller airlines and new market entrants, in order to stimulate small airline access to airport infrastructure. In the case of the Congonhas airport in Sao Paulo, tarmac capacity was rearranged and number of slots increased in October 2014 and given to new entrants (Azul Linhas Aéreas Brasileiras S.A. and Oceanair Linhas Aéreas S.A. Avianca)); and in a second stage slots could be reallocated, if current operators don't comply with measures regarding on-time performance and regularity of service. We rely on access to takeoff and landing slots at Congonhas airport and other airports throughout Brazil, to conduct our Brazilian passenger operations. The reallocation of any of TLA's slots to other market participants could adversely affect our operations.

Some of our competitors may receive external support which could negatively impact our competitive position.

Some of our competitors may receive support from external sources, such as their national governments, which may be unavailable to us. Support may include, among others, subsidies, financial aid or tax waivers. This support could place us at a competitive disadvantage and adversely affect our operations and financial performance.

The regulatory structure of Brazilian civil aviation is undergoing change and we have not yet been able to evaluate the results of this change on our business and results of operations.

Scheduled air transportation services are considered public utilities in Brazil and are subject to extensive regulation by the Brazilian government. Over recent years, the Brazilian regulatory authorities have taken a more proactive role in monitoring the development of the Brazilian civil aviation market. For example, in an effort to prevent excess supply, the authorities have established rigorous criteria for air transport companies to follow when creating new routes or increasing flight frequencies.

Operation of air transportation services, as well as airport infrastructure, is an exclusive right of the Brazilian government, which may choose to provide these services directly or through third parties by means of concessions or permits. TAM's concession to operate public air transportation was first obtained on December 9, 1996, and is valid until December 9, 2021. We cannot assure you that we will be able to automatically renew TAM's concession when it expires. See "Form 20-F, Item 4. Information on the Company—Business Overview—Regulation—Brazil—Aeronautical Regulation," incorporated by reference.

Additionally, our capacity to grow our Brazilian operations is dependent on receiving the necessary authorizations from ANAC and the Bureau of International Relations (*Superintendência de Relações Internacionais*). We cannot assure you that we will obtain all necessary authorizations in the future and any failure to do so would require us to re-evaluate our strategies.

Our operations are subject to local, national and international environmental regulations; costs of compliance with applicable regulations, or the consequences of noncompliance, could adversely affect our results, our business or our reputation.

Our operations are covered by environmental regulations at local, national and international levels. These regulations cover, among other things, emissions to the atmosphere, disposal of solid waste and aqueous effluents, aircraft noise and other activities incident to our business. Future operations and financial results may vary as a result of such regulations. Compliance with these regulations and new or existing regulations that may be applicable to us in the future could increase our cost base and adversely affect our operations and financial results. In addition, failure to comply with these regulations could adversely affect us in a variety of ways, including adverse effects on our reputation.

The European Union ("EU") had proposed a directive under which the existing emissions trading scheme in each EU member state was to be extended to all airlines. This directive would require us to submit annual emission allowances in order to operate routes to and from EU member states. As of the date of this offering memorandum, this proposal has been postponed for evaluation in 2016 and the directive affects only intra-European flights (which are not material to LATAM's operation), but there is a possibility that the directive could be extended to all flights in the future. Currently, we operate 6 routes to and from Europe, and service additional destinations through our

code-share agreements. Although it is uncertain if this directive will be approved in 2016, it is increasingly likely that we will be required to participate in some form of an international aircraft emissions program in the future, which may involve significant costs.

Our business may be adversely affected by a downturn in the airline industry caused by exogenous events that affect travel behavior or increase costs, such as outbreak of disease, weather conditions and natural disasters, war or terrorist attacks.

Demand for air transportation may be adversely impacted by exogenous events, such as adverse weather conditions and natural disasters, epidemics (such as Ebola), terrorist attacks, war or political and social instability. Situations such as these in one or more of the markets in which we operate could have a material impact on our business, financial condition and results of operations. Furthermore, these types of situations could have a prolonged effect on air transportation demand and on certain cost items.

Revenues for airlines depend on the number of passengers carried, the fare paid by each passenger and service factors, such as the timeliness of flight departures and arrivals. During periods of fog, ice, low temperatures, storms or other adverse weather conditions, some or all of our flights may be cancelled or significantly delayed, reducing our revenues. In addition, fuel prices and supplies, which constitute a significant cost for us, may increase as a result of any future terrorist attacks, a general increase in hostilities or a reduction in output of fuel, voluntary or otherwise, by oil-producing countries. Such increases may result in both higher airline ticket prices and decreased demand for air travel generally, which could have an adverse effect on our revenues and results of operations.

Developments in Latin American countries and other emerging market countries may adversely affect the Chilean and Brazilian economies, negatively impact our business and results of operations and cause the market price of our common shares and ADSs to decrease.

We conduct a significant portion of our operations in emerging market countries, particularly in Latin America. As a result, economic and political developments in these countries, including future economic crises and political instability, could impact the Chilean or Brazilian economies and have a material adverse effect on our business, financial condition and results of operations and the market value of our securities. Although economic conditions in other emerging market countries may differ significantly from economic conditions in Chile and Brazil, we cannot assure you that events in other countries, particularly other emerging market countries, will not adversely affect the market value of, or market for, our common shares or ADSs.

Changes in the Chilean corporate tax rate or tax regime could adversely affect our financial results.

On October 2014, President Bachelet's government approved a gradual increase in the Chilean corporate tax, from 20% to 25% or 27% (depending on the tax system chosen by the Chilean corporate tax payer) from 2014 to 2018. This increase affected the tax provision for Chilean companies, including LATAM, whose corporate tax rate will increase to 27%, and has required adjustments in deferred taxes to reflect the higher tax rate. Currently LATAM pays low taxes given its tax losses resulting from its investment plan, but if LATAM records net income and no longer has tax losses available, our effective tax rate will increase and our net income will decrease. For more information on taxation see Note 17 in our audited consolidated financial statements included in our Form 20-F, incorporated by reference.

Fluctuations in the value of the Brazilian real, Chilean peso and other currencies in the countries in which we operate may adversely affect our revenues and profitability.

We operate in numerous countries and face the risk of variation in foreign currency exchange rates against the U.S. dollar or between the currencies of these various countries. Changes in the exchange rate between the U.S. dollar and the currencies in the countries in which we operate could adversely affect our business, financial condition and results of operations. Approximately 97% of our indebtedness at December 31, 2014 was denominated in U.S. dollars, and we are expecting that 42% of our revenues and 35% of our operating expenses in 2015 will be denominated in currencies other than the U.S. dollar, mainly the Brazilian real and the Chilean peso. If the value of the Brazilian real, Chilean peso or other currencies, in which revenues are denominated, declines against the U.S. dollar, we will need a greater amount of these currencies to repay the same amount of U.S. dollars. The Brazilian Real and the Chilean peso, respectively, experienced average nominal depreciations against the U.S. dollar of 16.7%

and 0.7% in 2012, 10.5% and 1.8% in 2013 and 9.1% and 15.2% in 2014. The exchange rate of the Chilean peso, Brazilian real and other currencies against the U.S. dollar may fluctuate significantly in the future.

Changes in Chilean, Brazilian and other governmental economic policies affecting foreign exchange rates could also adversely affect our business, financial condition, results of operations and the return to our shareholders on their common shares or ADSs. Exchange controls in Venezuela delay our ability to repatriate cash generated from operations in Venezuela. They also increase our exposure to exchange rate losses due to potential devaluations of the Venezuelan bolivar *vis à vis* the U.S. dollar during the period of time between the time we are paid in Venezuelan bolívares and the time we are able to repatriate such revenues in U.S. dollars. During 2014, the company modified the exchange rate used in determining equivalence of United States Dollar in cash and cash equivalents held in strong Bolivar, from 6.3 VEF/US\$ to 12.0 VEF/US\$, which represented a loss by foreign exchange of US\$61 million on our results.

The Brazilian government has exercised, and may continue to exercise, significant influence over the Brazilian economy, which may have an adverse impact on our business, financial condition and results of operations.

The Brazilian economy has been characterized by the significant involvement of the Brazilian government, which often changes monetary, credit, fiscal and other policies to influence Brazil's economy. The Brazilian government's actions to control inflation and implement other policies have involved wage and price controls, depreciation of the real, controls over remittance of funds abroad, intervention by the Central Bank to affect base interest rates and other measures. We have no control over, and cannot predict what measures or policies the Brazilian government may take in the future.

We are not required to disclose as much information to investors as a U.S. issuer is required to disclose and, as a result, you may receive less information about us than you would receive from a comparable U.S. company.

The corporate disclosure requirements that apply to us may not be equivalent to the disclosure requirements that apply to a U.S. company and, as a result, you may receive less information about us than you would receive from a comparable U.S. company. We are subject to the reporting requirements of the Exchange Act. The disclosure requirements applicable to foreign issuers under the Exchange Act are more limited than the disclosure requirements applicable to U.S. issuers. Publicly available information about issuers of securities listed on Chilean or Brazilian stock exchanges also provides less detail in certain respects than the information regularly published by listed companies in the United States or in certain other countries. Furthermore, there is a lower level of regulation of the Chilean and Brazilian securities markets and of the activities of investors in such markets as compared with the level of regulation of the securities markets in the United States and in certain other developed countries.

Risk Factors Relating to the Certificates and the Offering

None of the Certificates or Equipment Notes are direct obligations of LATAM.

LATAM will have no obligations under and will not guarantee obligations under the Certificates or the Equipment Notes. The Certificates will represent limited recourse obligations of the Trusts payable only from the cash flows of the Equipment Notes, and to a certain extent, availability under the Liquidity Facilities. The Equipment Notes to be held by the Trusts will be the obligations of the Owners. Although LATAM's payment obligations under each of the Leases are expected to be sufficient to enable each Owner to fulfill its respective obligations under the Equipment Notes, you will not have any direct recourse against LATAM for payments on the Certificates.

LATAM is the sole lessee of the Aircraft and, as a result, payments on the Certificates are entirely dependent on LATAM fulfilling its obligations under the Leases.

LATAM is the sole lessee of the Aircraft. As a result, each Owner is dependent on LATAM meeting its obligations under the Leases in order to fulfill its obligations to make payments on the Equipment Notes that can be passed through by the Trustees to Certificateholders. The only other committed source of liquidity for payments on the Certificates is provided under the Liquidity Facilities which are limited in amount to seven successive interest payments on the Certificates. Accordingly, any event which has a material adverse effect on LATAM or its ability to perform its obligations or make payments under the Leases will materially and adversely impact each Owner's ability to make payments on the Equipment Notes that can be passed through to Certificateholders.

The Leases will be obligations of LATAM, and not of TLA or any of LATAM's subsidiaries.

Although LATAM will be obligated to make rent payments under the Leases, none of its subsidiaries is required to become an obligor with respect to, or a guarantor of, LATAM's obligations thereunder. You should not expect any of LATAM's subsidiaries to participate in making payments in respect of the Leases.

The Appraisals are only estimates of Aircraft value.

Three independent appraisal and consulting firms have prepared appraisals of the Aircraft. Letters summarizing these appraisals are annexed to this offering memorandum as Appendix II. The appraisals are based on varying assumptions and methodologies, which differ among the appraisers, and were prepared without physical inspection of the Aircraft. Appraisals that are based on other assumptions and methodologies may result in valuations that are materially different from those contained in such appraisals. See "*Description of the Aircraft and the Appraisals—The Appraisals*".

There are particular uncertainties with respect to the appraised value of the Aircraft because the 787-9 is a newly-developed derivative of the 787-8, and the A350 is a newly-developed model. The first delivery of a Boeing 787-9 aircraft to a commercial airline was in July 2014, and the first delivery of an Airbus A350 to a commercial airline was in December 2014. As a result, the performance characteristics of the Boeing 787-9 and the Airbus A350 aircraft have not been demonstrated by extensive commercial airline operations. In addition, secondary market values for the aircraft have not been established. Also, the appraisal and consulting firms that have prepared the appraisals of the Aircraft have less experience appraising Boeing 787-9 and Airbus A350 aircraft as compared to other aircraft models that have been in operation in greater number for a longer period of time.

An appraisal is only an estimate of value. It does not indicate the price at which an Aircraft may be purchased from the Aircraft manufacturer, nor should an appraisal be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Aircraft may be less than its appraised value. In particular, the appraisals of the Aircraft are estimates of values as of delivery dates, most of which are in the future. The value of an Aircraft if remedies are exercised under the applicable Indenture will depend on market and economic conditions, the supply of similar aircraft, the availability of buyers, the condition of the Aircraft and other factors. Accordingly, there can be no assurance that the proceeds realized upon any such exercise of remedies would be sufficient to satisfy in full payments due on the Certificates.

Failure to perform maintenance responsibilities may deteriorate the value of the Aircraft.

The Leases that LATAM will enter into for each Aircraft provide that it is responsible for the maintenance, service, repair and overhaul of the Aircraft. If LATAM fails to adequately perform these responsibilities, the Aircraft may be deemed not to be airworthy which will likely reduce the value of the Aircraft. Even if the Aircraft remain airworthy, failure by LATAM to fulfill its maintenance, service, repair and overhaul obligations may reduce the value of the Aircraft. In addition, the value of the Aircraft may deteriorate even if LATAM fulfills its maintenance responsibilities. As a result, it is possible that upon liquidation, there will be less proceeds than anticipated to repay the holders of Equipment Notes. See "*Description of the Equipment Notes—Certain Provisions of the Leases—Net Lease; Maintenance*".

Inadequate levels of insurance may result in insufficient proceeds to repay holders of related Equipment Notes.

To the extent described in the Leases, LATAM must maintain, among others, comprehensive airline liability and all-risk aircraft hull insurance on the Aircraft. In addition, under certain circumstances LATAM is permitted to replace Aircraft that have been damaged or destroyed using the insurance proceeds received in respect of such Aircraft. However, inflation, changes in ordinances, environmental considerations and other factors may make the insurance proceeds insufficient to repair or replace Aircraft if they are damaged or destroyed. In addition, if LATAM fails to maintain adequate levels of insurance, the proceeds that could be obtained upon an Event of Loss of an Aircraft may be insufficient to repay the related Equipment Notes. See "*Description of the Equipment Notes—Certain Provisions of the Leases—Insurance*".

Payments to Certificateholders will be subordinated to certain amounts payable to other parties.

Under the Intercreditor Agreement, each Liquidity Provider will receive payment of all amounts owed to it, including reimbursement of drawings made to pay interest on the Class A Certificates and the Class B Certificates, before the holders of any class of Certificates receive any funds. In addition, the Subordination Agent and the Trustees will receive certain payments before the holders of any class of Certificates receive distributions.

Payments of principal on the Certificates are subordinated to payments of interest on the Certificates, subject to certain limitations and certain other payments. Consequently, a payment default under any Equipment Note or a Triggering Event may cause the distribution of interest on the Certificates or such other amounts to be made from payments received with respect to principal on one or more series of Equipment Notes. If this occurs, the interest accruing on the remaining Equipment Notes may be less than the amount of interest expected to be distributed on the remaining Certificates. This is because the interest on the Certificates may be based on a Pool Balance that exceeds the outstanding principal balance of the remaining Equipment Notes. As a result of this possible interest shortfall, the holders of the Certificates may not receive the full amount expected after a payment default under any Equipment Note even if all Equipment Notes are eventually paid in full. See “*Description of the Intercreditor Agreement—Priority of Distributions*”.

Payments on the Class B Certificates are effectively subordinated to payments on the Class A Certificates.

Payments on the Series B Equipment Notes are subordinated in right of payment to the prior payment of the Series A Equipment Notes to the extent and in the manner specified in the Intercreditor Agreement. As a result, the priority of distributions after the occurrence of certain events of default may require that distributions that would otherwise have been made on the Series B Equipment Notes be made on the Series A Equipment Notes, with the consequences that monies that would have otherwise been passed through to the holders of the Class B Certificates are instead passed through to the holders of the Class A Certificates.

Certain Certificateholders may not participate in controlling the exercise of remedies in a default scenario.

If an Indenture Event of Default is continuing, subject to certain conditions, the Loan Trustee under such Indenture will be directed by the Controlling Party in exercising remedies under such Indenture, including accelerating the applicable Equipment Notes or foreclosing the lien on the Aircraft or other collateral securing such Equipment Notes. See “*Description of the Certificates—Indenture Events of Default and Certain Rights Upon an Indenture Event of Default*”.

The Controlling Party will be:

- The Class A Trustee.
- Upon payment of final distributions to the holders of Class A Certificates, the Class B Trustee.
- If any Class C Certificates have been issued, upon payment of final distributions to the holders of Class B Certificates, the trustee for the Class C Certificates.
- If any Additional Certificates have been issued, upon payment of final distributions to the holders of the Class C Certificates, the trustee for the Additional Certificates.
- Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the largest amount owed to it.

As a result of the foregoing, if the Trustee for a class of Certificates is not the Controlling Party with respect to an Indenture, the Certificateholders of that Class will have no rights to participate in directing the exercise of remedies under such Indenture.

The proceeds from the disposition of any Aircraft or Equipment Notes may not be sufficient to pay all amounts distributable to the holders of Certificates.

During the continuation of any Indenture Event of Default, the Equipment Notes issued under such Indenture or the related Aircraft (or shares of the related Owner) may be sold in the exercise of remedies with respect to that Indenture, subject to certain limitations. See “*Description of the Intercreditor Agreement—Intercreditor Rights—Limitation on Exercise of Remedies.*” The market for any Aircraft or Equipment Notes, as the case may be, during any event of default under an Indenture may be very limited, and there is no assurance as to the price at which they could be sold.

Some Certificateholders will receive a smaller amount of principal distributions than anticipated and will not have any claim for the shortfall against LATAM, any Owner (except in the case described in the second bullet point below), any Loan Trustee or any Trustee if the Controlling Party takes the following actions:

- it sells any rights associated with the Equipment Notes for less than the respective amounts outstanding thereunder; or
- it sells any Aircraft for less than the outstanding principal amount of the related Equipment Notes.

The exercise of remedies over Equipment Notes may result in shortfalls without further recourse.

During the continuation of any Indenture Event of Default under an Indenture, the Equipment Notes issued under such Indenture may be sold in the exercise of remedies with respect to that Indenture, subject to certain limitations. See “*Description of the Intercreditor Agreement—Intercreditor Rights—Limitation on Exercise of Remedies.*” The market for Equipment Notes during any Indenture Event of Default may be very limited, and there can be no assurance as to the price at which they could be sold. If any Equipment Notes are sold for less than their outstanding principal amount, certain Certificateholders will receive a smaller amount of principal distributions under the relevant Indenture than anticipated and will not have any claim for the shortfall against LATAM, any Owner, any Liquidity Provider, any Loan Trustee or any Trustee.

It may be difficult and expensive to exercise repossession rights with respect to an Aircraft.

There will be no general geographic restrictions on LATAM’s ability to operate the Aircraft. LATAM expects to sublease certain of the Aircraft into Brazil and LATAM may sublease the Aircraft (which may also entail a change in the jurisdiction of registration) or enter into interchange or pooling arrangements with respect to the Aircraft, in each case, with third parties and subject to the restrictions in the Leases and the Participation Agreements. It may be difficult, time-consuming and expensive for a Loan Trustee to exercise repossession rights if an Aircraft is located outside of Chile or Brazil, is registered in a foreign jurisdiction or is subleased to a foreign or domestic operator. Additional difficulties may exist if a sublessee is the subject of a bankruptcy, insolvency or similar event.

In addition, some jurisdictions may allow for other liens or other third-party rights to have priority over the applicable Loan Trustee’s security interest in an Aircraft. As a result, the benefits of the applicable Loan Trustee’s security interest in an Aircraft may be less than they would be if the Aircraft were located or registered in Chile or Brazil.

In connection with the repossession of an Aircraft, neither Chile nor Brazil recognizes self-help remedies, and therefore repossession of an Aircraft registered in Brazil or Chile will need to be sought through the courts of Chile or Brazil, as the case may be. See “*Description of the Equipment Notes—Certain Provisions of the Leases—Ability to Repossess the Aircraft and Insolvency Law.*” In addition, LATAM may be required to pay outstanding mechanics’ liens, hangar keepers’ liens, airport charges, and navigation fees and other amounts secured by liens on the repossessed Aircraft. Moreover, LATAM or the Loan Trustees may be subject to delays and additional expense in taking possession of an Aircraft from any third-party maintenance provider, including if it must arrange alternative means to have the maintenance work completed, if such third-party maintenance provider is the subject of a bankruptcy, reorganization, insolvency or similar event, which could result in a reduced value of the Aircraft and fewer proceeds to repay the holders of the Equipment Notes.

Upon repossession of an Aircraft, the Aircraft may need to be stored and insured. The costs of storage and insurance can be significant, and the incurrence of such costs could ultimately result in fewer proceeds to repay the holders of the Equipment Notes. In addition, at the time of foreclosing on the lien on the Aircraft under the related Indenture, an airframe subject to such Indenture might not be equipped with engines subject to the same Indenture. In these circumstances, LATAM will be required to deliver engines attached to the airframe which are of the same manufacturer and a comparable model as the original engines and have a value, remaining useful life and utility at least equal to, and be in as good operating condition and state of maintenance as, the original engines, and transfer title to such engines. If LATAM fails to transfer title to engines not owned by it that are attached to repossessed Aircraft, it could be difficult, expensive and time-consuming to assemble an Aircraft consisting of an Airframe and Engines subject to the related Indenture.

Chilean insolvency law may not be as favorable to investors as the laws of the United States or other jurisdictions with which investors are familiar.

LATAM is incorporated under the laws of Chile. Accordingly, insolvency proceedings with respect to LATAM would be likely to proceed under, and be governed by, Chilean insolvency law. Chile does not have an equivalent to the protections provided by Section 1110 of the U.S. Bankruptcy Code in U.S. domestic airline bankruptcies, and it has not adopted the Cape Town Treaty. Additionally, Chile's insolvency law came into effect only recently and there is limited experience with its application. See *"Description of the Equipment Notes—Certain Provisions of the Leases—Ability to Repossess the Aircraft and Insolvency Law"*. Any application of Chilean insolvency law in an adverse manner may materially adversely affect the ability of the Loan Trustee to exercise its remedies under the related Indenture and Equipment Notes issued under such Indenture, which may in turn materially adversely affect the Trustee's ability to enforce or collect payments on the Equipment Notes that may be distributed by the Trust to the Certificateholders.

The Cape Town Treaty will not apply to any Aircraft registered in Chile, and while it will apply to Aircraft registered in Brazil, the Cape Town Treaty has not yet been interpreted in Brazil. A court might interpret the Cape Town Treaty in a manner that does not maximize the benefits of the Cape Town Treaty for the Certificateholders.

Certain of the Aircraft are expected to be subleased to TLA, which is incorporated under the laws of Brazil, and such Aircraft are expected to be registered in Brazil. Brazil has ratified the Cape Town Convention on International Interests in Mobile Equipment (the **"Convention"**) and the related Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the **"Protocol"**), and collectively with the Convention, the **"Cape Town Treaty"**) in accordance with the declarations lodged by Brazil under the Convention and the Protocol at the time of the deposit of its instrument of accession. Pursuant to Presidential Decree No. 8,008 of May 15, 2013, Brazil has duly ratified the Cape Town Treaty. By virtue of these actions, the Cape Town Treaty has the force of ordinary law in Brazil, and Brazil has taken certain legal actions to give legal effect to the Cape Town Treaty in Brazil.

Remedies under the Cape Town Treaty, as it has been adopted in Brazil, include the ability to obtain possession of aircraft after a stay period of 30 calendar days after the commencement of an insolvency-related event (the **"30-Day Period"**) (in accordance with the declaration under Article XXX, paragraph 3, with respect to Article XI, Alternative A, of the Protocol, as lodged by Brazil).

The Cape Town Treaty has only recently entered into force in Brazil, and there is no jurisprudence that would indicate how the Cape Town Treaty (including the 30-Day Period) will be implemented, interpreted, applied or enforced in Brazil by the courts of Brazil or any other courts which may have jurisdiction, as well as by the related government offices, and there can be no assurance that any court interpreting the Cape Town Treaty as it applies to the Equipment Notes will interpret the Cape Town Treaty in a manner that maximizes the benefits of the Cape Town Treaty for the Certificateholders. Any interpretation of the Cape Town Treaty by a court in a manner that does not maximize the benefits of the Cape Town Treaty with respect to the Certificates may materially adversely affect the related Loan Trustee's ability to exercise its remedies under the related Indenture and Equipment Notes issued under such Indenture, which may in turn materially adversely affect the Trustee's ability to enforce or collect payments on the Equipment Notes that may be distributed by the Trust to the Certificateholders.

In addition, regulations have yet to be promulgated regarding completion of export formalities with the Brazilian tax authorities.

LATAM has no obligation to sublease any Aircraft to TLA and there can be no assurance that any Aircraft which are initially expected to be subleased to TLA will actually be subleased to TLA or registered in Brazil. Accordingly, there can be no assurance that any of the Aircraft or related collateral will be entitled to the benefits of the Cape Town Treaty in any jurisdiction.

Certain Liens may have priority over the interests of the relevant Loan Trustee under the Indentures.

Under Chilean insolvency law, the obligations under the Equipment Notes and Leases are subordinated to certain statutory preferences. In the event of liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses, will have preference over any other claims, including claims by the Loan Trustees in respect of the Equipment Notes and Leases.

Additionally, Chile's insolvency law came into effect only recently and there is limited experience with its application. See "*Description of the Equipment Notes—Certain Provisions of the Leases—Ability to Repossess the Aircraft and Insolvency Law*".

Brazil has declared that all categories of non-consensual rights which, under Brazilian law, have, and will in the future have, priority over an interest in an object equivalent to that of the holder of a registered international interest shall to that extent have priority over a registered international interest, whether in or outside insolvency proceedings. Brazil has further declared that nothing in the Cape Town Treaty will affect its right or that of any state entity, any intergovernmental organization or other private provider of public services to arrest or detain an object under its laws for payment of amounts owed to Brazil, any such state entity, organization or provider directly relating to the services provided by it in respect of that object or another object. No Brazilian courts have yet applied the Cape Town Treaty or established any precedents regarding which interests will be deemed superior to the international interests under the Cape Town Treaty, or of the Loan Trustee under the Indentures. In addition, Brazil may in the future create additional non-consensual rights or interests which would also have priority over the interests of the Loan Trustees under the Indentures. Any such priority in interests may adversely impact the exercise by the Loan Trustees of their respective remedies under the Indentures and may result in the amounts available to the Loan Trustees not being sufficient to satisfy in full the payments due on the Certificates and may also significantly delay the ability of the Loan Trustees to exercise their remedies.

Recourse against the Owners is limited and payments by LATAM under the Leases may not be sufficient to pay all of their obligations.

Each Owner is a special purpose company whose sole assets will consist of the Aircraft owned by it, rights under the applicable Lease and rights under the related transaction documents. The transaction documents will limit each Owner's ability to conduct any activity other than owning and leasing its Aircraft, the other activities contemplated by the transaction documents and activities incidental thereto. If any Owner has unanticipated liabilities for taxes or other claims that are not paid by LATAM, payments under the Leases may be insufficient for each Owner to pay all amounts due in respect of the Equipment Notes. Upon the occurrence of an Indenture Event of Default under the Equipment Notes, the Controlling Party will be entitled to direct the relevant Loan Trustee in the exercise of all remedies under the applicable Indenture, including foreclosure on the Aircraft, the repossession of such Aircraft from LATAM under the related Lease and any subsequent re-lease of such Aircraft. Recourse against each Owner for its obligations under the transaction documents is, as a practical matter, limited to amounts payable to such Owner under the transaction documents and the collateral securing the Equipment Notes with respect to the Aircraft owned by it. If LATAM fails to make payments under any Lease in full when due, the related Owner may not have sufficient funds to pay all of its obligations under the applicable Equipment Notes and the other transaction documents.

The Certificates will not provide any protection against highly leveraged or extraordinary transactions, including acquisitions and other business combinations.

LATAM may, from time to time, analyze opportunities presented by various types of transactions, and it may conduct its business in a manner that could cause the market price or liquidity of the Certificates to decline, have a

material adverse effect on its financial condition or the credit rating of the Certificates or otherwise restrict or impair its ability to pay amounts due under the Equipment Notes and/or the related agreements. The Certificates, the Equipment Notes and the underlying agreements will not contain any financial or other covenants or “event risk” provisions protecting the Certificateholders in the event of a highly leveraged or other extraordinary transaction, including an acquisition or other business combination, affecting LATAM, any member of the LATAM Group or any of their affiliates. The occurrence of any such event could have a material adverse effect on the value of the Certificates.

There are no restrictive covenants in the transaction documents relating to LATAM’s ability to incur future indebtedness.

The Certificates, the Equipment Notes, the Leases and the other underlying agreements will not (i) require LATAM to maintain any financial ratios or specified levels of net worth, revenues, income, cash flow or liquidity and therefore do not protect Certificateholders in the event that LATAM experiences significant adverse changes in its financial condition or results of operations, (ii) limit its ability to incur additional indebtedness or (iii) restrict its ability to pledge its assets. In light of the absence of such restrictions, LATAM may conduct its business in a manner that may cause the market price of the Certificates to decline or otherwise restrict or impair its ability to pay amounts due under the Equipment Notes and/or the related agreements.

Under certain circumstances principal on the Certificates could be prepaid without premium, including the return of escrow funds if they are not used to buy Equipment Notes by the Aircraft delivery deadline.

Under certain circumstances, all of the funds held in escrow as Deposits may not be used to purchase Equipment Notes by the deadline established for purposes of this offering. See “*Description of the Deposit Agreements—Other Withdrawals and Return of Deposits*”. If any funds remain as Deposits with respect to any Trust after such deadline, they will be withdrawn by the Escrow Agent for such Trust and distributed, with accrued and unpaid interest but without any premium, to the Certificateholders of such Trust. In addition, if an Event of Loss occurs with respect to an Aircraft or certain illegality events occur or in certain other circumstances described in this offering memorandum, the Certificates could be redeemed, with accrued and unpaid interest but without premium or Make-Whole Amount, to the Certificateholders. If any of these circumstances were to occur, you will not receive the full amount expected in connection with your investment in the Certificates. See “*Description of the Deposit Agreements— Other Withdrawals and Return of Deposits*”.

Boeing has rescheduled deliveries of Boeing 787 aircraft on several occasions, and the Airbus A350 is a newly-developed model. Any delay in the delivery of aircraft to be financed pursuant to this Offering may extend the period for financings under this Offering and could result in the return of escrowed funds.

The Boeing 787-9 aircraft is a newly-developed derivative of the Boeing 787-8, which was initially certificated by the United States Federal Aviation Administration (“FAA”) in August 2011, and the first delivery of the Boeing 787-9 to a commercial airline occurred in July 2014. During the course of development of the Boeing 787-8, Boeing rescheduled deliveries on several occasions. In January 2013, the FAA announced a review of the Boeing 787 aircraft’s critical systems and in-service issues and issued an airworthiness directive that required U.S. Boeing 787 operators temporarily to cease operations of such aircraft. As a result, Boeing ceased deliveries of new Boeing 787-8 aircraft. In April 2013, the FAA approved Boeing’s design modifications to the Boeing 787 battery system and provided clearance to U.S. Boeing 787 operators to resume operations of the aircraft, subject to installation of modified battery systems. As a result, in May 2013, Boeing resumed deliveries of new Boeing 787 aircraft. In connection with the investigation of a fire that occurred on July 12, 2013 on a Boeing 787 aircraft operated by a different airline, while the aircraft was parked at London’s Heathrow Airport, the FAA issued an order on July 26, 2013, requiring the inspection or removal of emergency locator transmitters installed on Boeing 787 aircraft. The FAA indicated that this order is an interim action and that it could take additional steps. LATAM does not expect compliance with this order to have a material adverse effect on its operations. In March 2014, Boeing disclosed that small “hairline cracks” had been discovered in the wings of about 40 Boeing 787 aircraft that are in production, which could delay scheduled deliveries of Boeing 787-8 and 787-9 aircraft. Boeing said that the cracks had not been found in previously delivered Boeing 787 aircraft.

The Airbus A350 is a newly-developed model, and the first delivery of an Airbus A350 to a commercial airline was in December 2014.

LATAM cannot predict the extent to which deliveries of Aircraft by Boeing or Airbus intended to be financed pursuant to this Offering may be delayed. The deadline for purposes of financing Aircraft pursuant to this Offering is June 30, 2016. This deadline is subject to further extension of up to 60 days if a labor strike occurs at Boeing or Airbus during the period for financings pursuant to this Offering. See “*Description of the Aircraft and Appraisals—Timing of Financing the Aircraft.*” If Equipment Notes relating to all Aircraft have not been purchased by the deadline established for purposes of this Offering, unused funds held in escrow will be returned to Certificateholders. See “*—Under certain circumstances principal on the Certificates could be prepaid without premium, including the return of escrow funds if they are not used to buy Equipment Notes by the Aircraft delivery deadline*”

Holders of the Certificates are exposed to the credit risk of the Depositary during the prefunding period.

The holders of the Certificates may suffer losses or delays in repayment if the Depositary fails to pay when due the Deposits or accrued interest thereon for any reason, including by reason of the insolvency of the Depositary. LATAM is not required to indemnify against any failure on the part of the Depositary to repay the Deposits or accrued interest thereon in full on a timely basis.

The Certificates are subject to transfer restrictions.

The Certificates have not been registered under the Securities Act or any state or foreign securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or foreign securities laws. Moreover, the Certificates may not be transferred except upon satisfaction of the conditions described under “*Transfer Restrictions.*” On the Issuance Date, LATAM will enter into Registration Rights Agreements that will obligate us to use our reasonable best efforts to file with the SEC a registration statement with respect to the offer to exchange each class of Certificates for a new class of Certificates to be issued by the applicable Trust, which will have terms identical in all material respects to the Certificates exchanged therefor, to the applicable Certificateholders entitled to make such exchange. While participation in such an exchange would enable holders to freely transfer their Certificates, we cannot assure you that such a registration will be completed or that LATAM will be able to maintain the effectiveness of such registration statements for the requisite time periods. See “*Exchange Offer; Registration Rights.*”

There may be a limited market for resale of Certificates.

Prior to this Offering, there has been no market for the Certificates. Neither LATAM nor any Trust intends to apply for listing of the Certificates on any securities exchange or otherwise. The Initial Purchasers are not required to make a market in the Certificates and any market-making activity may be discontinued at any time without notice at the sole discretion of each Initial Purchaser. A secondary market for the Certificates may not develop. If a secondary market does develop, it might not continue or it might not be sufficiently liquid to allow you to resell any of your Certificates. If an active market does not develop, the market price and liquidity of the Certificates may be adversely affected. The Escrow Receipts may not be assigned or transferred separately from the Certificates and the Certificates may not be assigned or transferred separately from the Escrow Receipts.

The liquidity of, and trading market for, the Certificates may also be adversely affected by general declines in the markets or by declines in the market for similar securities. Such declines may adversely affect such liquidity and trading markets independent of LATAM’s financial performance and prospects.

The rating of the Certificates is not a recommendation to buy and may be lowered or withdrawn in the future.

Several rating agencies were approached in connection with the preparation for the Offering. It is a condition to the issuance of the Class A Certificates and Class B Certificates that they be rated not lower than “A2” and “Baa2”, respectively, by Moody’s, and not lower than “A-” and “BBB-”, respectively, by S&P. A rating is not a recommendation to purchase, hold or sell Certificates, because such rating does not address market price or suitability for a particular investor. A rating may not remain for any given period of time and may be lowered or withdrawn entirely by any or all of the Rating Agencies if in their judgment circumstances in the future (including, if applicable, the downgrading of LATAM, the Depositary or the Liquidity Providers) so warrant. Any decline in the

rating of the Certificates could have a material adverse effect on the price of or the outstanding trading market for the Certificates.

The rating of the Certificates is based primarily on the default risk of the Equipment Notes and the Depositary, the availability of the Liquidity Facilities for the benefit of holders of the Certificates, the collateral value provided by the Aircraft and the cross-collateralization provisions applicable to the Indentures. These ratings address the likelihood of timely payment of interest (at the stated interest rate and without any premium) when due on the Certificates and the ultimate payment of principal distributable under the Certificates by the Final Legal Distribution Date. The ratings do not address the possibility of certain defaults, redemptions or other circumstances, which could result in the payment of the outstanding face amount of the Certificates prior to the final expected Distribution Date, and no assurance can be given that other rating agencies would have assigned similar ratings to the Certificates.

You may be unable to enforce judgments obtained in the United States against LATAM or LATAM's directors and officers or any of the Owners or their respective directors.

LATAM is incorporated under the laws of Chile, and each of the Owners is organized under the laws of the Cayman Islands. In addition, LATAM's directors are non-residents of the United States. A substantial portion of LATAM's and all of the Owners' assets are located outside of the United States. As a result, although each of LATAM and the Owners has submitted to the jurisdiction of the U.S. federal and New York State courts in the borough of Manhattan in the City of New York, it may be difficult for investors to effect service of process on LATAM and its directors and officers or any of the Owners or their respective directors in the United States or to enforce in the United States judgments obtained in United States courts against LATAM or any Owner based on the civil liability provisions of the United States securities laws. Uncertainty exists as to whether courts in Chile and the Cayman Islands will enforce judgments obtained in other jurisdictions, including the United States, under the securities laws of other jurisdictions. See "Enforcement of Judgments"

You may face foreign exchange risks by investing in the Certificates.

The Certificates will be denominated and payable in U.S. Dollars. If you measure your investment returns by reference to a currency other than that of the Certificates you purchase, an investment in the Certificates entails foreign exchange-related risks, including possible significant changes in the value of U.S. Dollars relative to the currency by reference to which you measure your investment returns because of economic, political and other factors over which LATAM has no control. Depreciation of the U.S. Dollar against the currency by reference to which you measure your investment returns could cause a decrease in the effective yield of the Certificates below their stated interest rates and could result in a loss to you when the return on the Certificates is translated into the currency by reference to which you measure your investment returns. There may be tax consequences for you as a result of any foreign exchange gains resulting from any investment in the Certificates and you should consult with your own tax advisors regarding any such tax consequences.

The Certificates will initially be held in book-entry form and therefore you must rely on the procedures of DTC to exercise any rights and remedies.

Unless and until definitive Certificates are issued in exchange for book-entry interests in the Certificates, owners of the book-entry interests will not be considered owners or holders of Certificates. Instead, a nominee of DTC will be the sole registered holder of the Certificates.

Payments of amounts owing in respect of the Global Certificates (including principal, premium (if any), interest on the Equipment Notes or interest on the Deposits) will be distributed by the relevant Trustee or Paying Agent, as applicable. The relevant Trustee or Paying Agent, as applicable, will, in turn, make such payments to DTC or its nominee, which will distribute such payments to participants in accordance with their respective procedures.

Unlike holders of the Certificates themselves, owners of book-entry interests will not have the direct right to act upon solicitations for consents or requests for waivers or other actions from holders of the Certificates. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC or, if applicable, from a participant. Neither LATAM nor any Owner can assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

The lack of physical certificates could also:

- result in payment delays on your Certificates because the relevant Trustee or Paying Agent, as applicable, will be sending distributions on the Certificates to DTC instead of directly to you;
- make it difficult for you to pledge your Certificates if physical certificates are required by the party demanding the pledge; and
- hinder your ability to resell your Certificates because some investors may be unwilling to buy Certificates that are not in physical form.

USE OF PROCEEDS

The proceeds from the sale of the Certificates of each Trust being offered hereby will initially be held in escrow and deposited with the Depositary on behalf of the applicable Escrow Agent for the benefit of the holders of such Certificates, pending financing of each Aircraft under an Indenture. Each Trust will withdraw funds from the Deposits relating to such Trust to acquire Equipment Notes as Aircraft are delivered and subjected to the related Indenture. The Equipment Notes will be full recourse obligations of the Owners.

The proceeds from the Equipment Notes, together with the proceeds of an initial rent payment by LATAM to the related owner under the related Lease will be used by the related Owner to fund the acquisition of the relevant Aircraft as such Aircraft are delivered. LATAM has also made predelivery payments in respect of the Aircraft.

LATAM will not receive any proceeds from the issuance of the Certificates.

CAPITALIZATION

The following table sets forth the total cash and capitalization LATAM has as of December 31, 2014:

	At December 31, 2014
	<i>(in millions of US\$)</i>
Cash and cash equivalents	989
Total Debt	
Secured Debt :	
6.00% Cashflow Secured Notes due 2020	451
Equipment loans and other notes payable, fixed and variable interest rates ranging from 0.24% to 5.69%, maturing from 2015 to 2026	5,973
PDP Financing	467
Spare Engines Facility	91
TAM Spare Engine Facility	39
Other secured debt	0
Total Secured Debt	7,021
Unsecured Debt :	
7.375% TAM notes due 2017	309
9.5% TAM notes due 2020	309
8.375% TAM notes due 2021	515
Other unsecured loans	604
Total Unsecured Debt	1,737
Total Debt⁽¹⁾	8,758
Total Equity⁽²⁾	4,504
Total Capitalization⁽³⁾	13,262

(1) Total debt does not include the Certificates or any Equipment Notes to be issued in connection with this offering.

(2) Total Equity equals parent's ownership interest and non-controlling interest.

(3) Total capitalization equals the sum of total debt and total equity.

There has been no material change in LATAM's capitalization since December 31, 2014.

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

Operating Results

You should read the following discussion of our financial condition and results of operations together with our audited consolidated financial statements and the accompanying notes beginning on page F-1 of our Form 20-F, which is incorporated by reference into this offering memorandum.

The summary consolidated annual financial information as of December 31, 2014, 2013 and 2012 and for the years ended December 31, 2012, 2013 and 2014, has been prepared in accordance with IFRS and has been derived from our audited consolidated annual financial statements included in our Form 20-F.

Overview

We derive our revenues primarily from transporting passengers on our passenger aircraft, as well as from transporting cargo in the belly of our passenger aircraft and in our dedicated freighter aircraft. In 2014, approximately 83% of our revenues came from passenger revenues, 14% came from our cargo business, and the remaining 3% from other operating revenues. Other operating revenue consists primarily in revenues generated from tour operator services, aircraft leases, on-board sales, third-party maintenance, ground handling, customs and storage brokerage operations.

Our operating environment in 2014 was marked by continued capacity rationalization in both cargo and passenger operations compared with 2013, coupled with a generally weaker macroeconomic environment in Latin America, including slower GDP growth trends, and weaker currencies in most countries. Additionally our operations were negatively affected by reduced passenger and cargo demand during the FIFA World Cup soccer tournament held in Brazil.

Passenger Operations

In general, our passenger revenues are driven by international and country-specific political and economic conditions, competitive activity and the attractiveness of the destinations that we serve. Passenger revenues are also affected by our capacity, traffic, load factors, yield and unit revenue. Our capacity is measured in terms of available seat kilometers, or ASKs, which represents the number of seats we make available for sale, multiplied by the kilometers flown. We measure traffic in revenue passenger kilometers, or RPKs, as the number of passengers on our flights multiplied by the number of kilometers flown. Load factors represent RPKs (traffic) as a percentage of ASKs (capacity), or the percentage of our capacity that is actually used by paying customers. Finally, we use yield, revenue from passenger operations divided by RPKs, to measure the average amount that one passenger pays to fly one kilometer and unit revenue, or revenue per ASK, to measure the effect of capacity on revenues. See "Item 3. Key Information—Selected Financial Data."

Passenger demand over the past years has been affected as a result of weaker economic environments in some Latin America's countries, reflected in slower GDP trends and depreciated currencies, and increases in competition from operators to South America and within the region.

During 2014, domestic operations in the Company's Spanish speaking countries (SSC, which include Chile, Peru, Argentina, Colombia and Ecuador) continued to show moderate growth in terms of traffic and remained very profitable, in spite of the economic slowdown in some countries. Our SSC business grew at a slower pace than 2013, as we increased capacity by only 3.7% as compared to 2013. Nonetheless, the Company was able to stimulate passenger traffic as measured in RPKs by 6.2%, allowing for an improvement of 1.9 p.p. in load factors, reaching 80.5%. However, yields in the SSC domestic markets continue to be under pressure due to the depreciation of local currencies, mainly the Chilean and Argentinian peso which depreciated an average of 15.2% and 48.2% respectively, as compared to 2013. This resulted in a 5.2% decline in revenue per ASK as compared to 2013.

Since we achieved the turnaround in the domestic Brazil passenger operations, we have had a successful and profitable operation. However, the weaker economy in Brazil, the depreciation of the Brazilian real and the impact of the FIFA World Cup in the months of June and July of 2014 have negatively impacted our results. In this

context, and in line with the current dynamics of domestic industry, TAM reduced capacity by 1.4% as measured in ASK during 2014. However, even with these circumstances, we were able to increase traffic by 1.1% as measured in RPK further improving our load factor by 2.0 p.p., reaching a high 83.0%. As a result, TAM ended the year with an increase of 2.2% in our revenues per ASK in Brazilian reais as compared to 2013.

The FIFA World Cup soccer tournament took place in Brazil in June and July of 2014 and resulted in a highly complex operation due to the large number of passengers who travelled to these cities on specific dates. Despite the increase in the number of passengers, LATAM's operating margin during the World Cup period was adversely impacted by approximately between US\$ 140 million and US\$160 million, mainly due to decreases in traffic and yields as a result of reduced corporate travel, as well as a reduction in leisure demand during the winter holidays, which are usually a period of high seasonal demand. Nonetheless LATAM is very satisfied to have successfully provided a customer-focused operation during this globally high profile and visible event.

In our international operations, we have continued to rationalize passenger capacity in response to a challenging competitive environment and continued pressure on yields. In terms of increased competition, we have seen a significant increase in capacity to the region from airlines from different regions, specifically from North America. Additionally, we had a significant increase in intraregional competition during the year; some operators - formerly domestic operators - strengthened their regional flights; and other operators redirected their capacity from Venezuela to other markets within the region situation. Additionally, the depreciation of some local currencies, especially the Argentinean peso, has adversely affected our international demand. Furthermore Brazilian international passenger results were also affected in July by lower corporate travel to and from Brazil during the World Cup soccer tournament. During 2014, the international business unit decreased capacity by 2.4% while traffic as measured in RPK increased 1.2%, boosting load factors by 3.1 p.p., to 85.4%, resulting in a decrease of 3.2% in the revenue per ASK (RASK).

Overall, LATAM has focused on improving our product and connectivity with international passengers. We have implemented initiatives such as the beginning reconfiguration of the cabins of the TAM B777 fleet to include a fully flat business class, the increased use of B787 aircraft on long-haul routes, and advances in the construction of the main hub of the company at Guarulhos airport in Sao Paulo, where LATAM already moved all of its operations to the new Terminal 3, and where the Company was able to substantially improve its connection times to offer a much more attractive product for its passengers. Additionally, during November 2014, LATAM inaugurated a new VIP lounge at the airport, which is currently the largest in South America and which will also be important in helping the best experience of our passengers.

Cargo Operations

Our cargo operations depend on exports from and imports to South America and are, therefore, affected by economic conditions, foreign exchange rates, changes in international trade, the health of particular industries, competition and fuel prices (which we usually pass on to our customers through a cargo fuel surcharge). Cargo revenues are also affected by our capacity, traffic, load factors and yield. Our capacity is measured in terms of available ton kilometers, or ATKs, which represents the number of tons available for the transportation of cargo, multiplied by the kilometers flown. We measure traffic in revenue ton kilometers, or RTKs, as the amount of cargo loads (measured in tons) multiplied by the number of kilometers flown. Load factors represent RTKs (traffic) as a percentage of ATKs (capacity), or the percentage of our cargo capacity that is actually used to transport cargo for our customers. Finally, we use yield, or revenue from cargo operations divided by RTKs, to measure the average amount that our customers pay to transport one ton of cargo one kilometer. See "Item 3. Key Information—Selected Financial Data."

We have designed our operations, route network and commercial strategies with the flexibility required to respond to changing conditions. In the cargo business, it is important to differentiate between what has been our business northbound - exports from the region to North America and Europe – and our business southbound - imports to the region.

Since 2012, the environment for the freighter business, and therefore for LATAM's cargo business unit, has been complicated. The global freight markets have remained weak, and Latin America has not been an exception. In addition, freighter and passenger's operators, have significantly increased cargo capacity in the region. These have put significant pressure on cargo yields.

During 2014, cargo traffic decreased 3.3%, reflecting a challenging scenario in Latin American cargo markets mainly due to a decline in demand on routes from the U.S.A to Latin America, especially Brazil, which was affected by the FIFA World Cup, uncertainty surrounding presidential elections and lower economic growth. Additionally northbound demand was affected by a significant contraction of seed exports from Chile, partially offset by strong asparagus, flowers and fresh fruit export seasons.

As a result, the Company continues with a rational and disciplined approach toward freighter capacity utilization, while focused on maximizing the belly utilization of the Company's passenger fleet. In this regard, in 2014 the Company sub-leased two of its 767-300Fs to another company operating in a different market for a period of three years. An additional 767-300F was also leased to this same operator starting in January 2015. Overall, capacity decreased by 5.6% in the year, resulting in a load factor of 59.8%, which represents an improvement of 1.4 percentage points as compared to 2013. Nonetheless, the 4.8% decline in the cargo yields led to a contraction of the revenues per ATK of 2.5%.

Cost Structure

LATAM Airlines Group's costs are driven by the size of our operations, fuel prices, fleet costs and exchange rates. Our operating expenses are calculated in accordance with IFRS and comprise the sum of the line items "cost of sales" plus "distribution costs" plus "administrative expenses" plus "other operating expenses", as shown on our consolidated statement of comprehensive income. These operating expenses include wages and benefits, fuel, depreciation and amortization, commissions to agents, aircraft rentals, other rental and landing fees, passenger services, aircraft maintenance, and other operating expenses. The following is a discussion of the drivers of the most important costs.

As an airline, we are subject to fluctuations in costs that are outside our control, particularly fuel prices. At the end of 2013, fuel prices were high principally because of the strong signals of growth in the U.S. At the beginning of 2014, fuel followed the same trend because of the Ukraine/Russia conflict and also because of strong signals of growth in the U.S. and Europe. In the second half of 2014, fuel prices tumbled 42% as OPEC elected not to curb output in response to a supply glut produced by increased production of shale oil in the U.S., and as a result of weak demand as China, Japan and Eurozone showed an economic slowdown and deflation. Although we have implemented a number of strategies to mitigate the impact of the volatility of fuel prices, such as fuel-hedging policies and the use of pass-through mechanisms, it is unlikely that we will be able to fully protect ourselves against the volatility of fuel costs. In addition, during periods in which fuel prices decrease, as during 2014, a fuel hedging program may prevent us from realizing the full benefit of the lower fuel prices. Moreover, another important driver that affects this item cost is the amount of gallons consumed during the year, resulting from the size of our operation, the efficiency of the fleet and efficiency programs.

Personnel expenses are another significant component of our overall costs. Because a significant portion of our labor costs is denominated in Chilean pesos and in Brazilian reais, appreciation of these currencies against the dollar as well as increases in local inflation rates can result in increased costs in dollar terms and can negatively affect our results. Depreciation of local currencies results in decreases in costs in dollars. Additionally, other important drivers are average headcount and average wages.

Commissions paid to travel and cargo agents are also a significant cost to the company. We compete with other airlines over the amount of commission we pay per sale, particularly in connection with special programs and marketing efforts, and to maintain competitive incentives with travel agents.

Fleet related expenses, namely aircraft rentals and depreciation, are another significant cost, and mainly depend on the number and type of aircraft that are owned and that are under operating leases. These costs are mainly fixed and can be reduced on a per unit basis by achieving higher daily aircraft utilization rates.

A. Results of Operation

LATAM Airlines Group Financial Results Discussion: Year ended December 31, 2014 compared to year ended December 31, 2013.

The following table sets forth certain income statement data for LATAM Airlines Group, for the year ended December 31, 2014, and December 31, 2013. For certain operating data during these periods, see “Form 20-F, Item 3. Key Information—Selected Financial Data,” incorporated by reference

	Year Ended December 31,				
	2014	2013	2014	2013	2014/2013 % change
	(in US\$ millions, except per share and capital stock data)		As a percentage of total operating revenues		
Consolidated Results of Income by Function					
Operating revenues					
Passenger	10,380.1	11,061.6	85.8%	85.6%	(6.2%)
Cargo.....	1,713.4	1,863.0	14.2%	14.4%	(8.0%)
Total operating revenues	12,093.5	12,924.5	100.0%	100.0%	(6.4%)
Cost of sales.....	(9,624.5)	(10,054.2)	(79.6)%	(77.8)%	4.3%
Gross margin	2,469.0	2,870.4	20.4%	22.2%	(14.0)%
Other operating income	377.6	341.6	3.1%	2.6%	10.5%
Distribution costs.....	(957.1)	(1,025.9)	(7.9)%	(7.9)%	(6.7)%
Administrative expenses	(980.7)	(1,136.1)	(8.1)%	(8.8)%	(13.7)%
Other operating expenses	(401.0)	(408.7)	(3.3)%	(3.2)%	(1.9)%
Financial income	90.5	72.8	0.7%	0.6%	24.3%
Financial costs	(430.0)	(462.5)	(3.6)%	(3.6)%	(7.0)%
Share of profit of investments accounted for using the equity method....	(6.5)	2.0	(0.1)%	0.0%	(430.3)%
Foreign exchange gains/(losses)	(130.2)	(482.2)	(1.1)%	(3.7)%	(73.0)%
Result of indexation units.....	0.0	0.2	0.0%	0.0%	(96.7)%
Other gains/(losses)	33.5	(55.4)	0.3%	(0.4)%	(160.5)%
Income (loss) before income taxes	65.2	(283.9)	0.5%	(2.2)%	(123.0)%
Income (loss) tax expense	(292.4)	20.1	(2.4)%	0.2%	(1,557.0)%
Net income (loss) for the period	(227.2)	(263.8)	(1.9)%	(2.0)%	(13.9)%
Income (loss) for the period attributable to the parent company's equity holders.....	(260.0)	(281.1)	(2.1)%	(2.2)%	(7.5)%
Income (loss) for the period attributable to non-controlling interests	32.8	17.3	0.3%	0.1%	90.1%
Net income (loss) for the period	(227.2)	(263.8)	(1.9)%	(2.0)%	(13.9)%
Earnings per share					
Basic earnings per share (US\$).....	(0.47656)	(0.57613)	n.a. ^(*)	n.a. ^(*)	(70.4%)
Diluted earnings per share (US\$).....	(0.47656)	(0.57613)	n.a. ^(*)	n.a. ^(*)	(70.4%)

(*) The abbreviation “n.a.” means not available.

Net Loss

Net loss for the year ended December 31, 2014 equaled US\$ 227.2 million, representing a decrease of US\$ 36.6 million from a net loss of US\$263.8 million in 2013. Net loss attributable to the parents of the company decreased to US\$ 260.0 million in 2014 from US\$281.1 million in 2013. Results for the 2014 include a US\$ 112 million provision recognized during the first quarter of the year mainly related to estimated penalties for anticipated redeliveries of aircraft and other redelivery expenses expected to be incurred as a part of the Company’s fleet restructuring process. In addition, the Company recognized an accounting charge of US\$150.2 million due to modifications made to the Chilean Tax System, consisting of a gradual increase of the corporate income tax from 20% to 27% in 2018. The Company entirely recognized the effect of the 7p.p. increase in the corporate rate during 2014. For more information see “Form 20-F, Business strategy—Fleet restructuring plan” and “Form 20-F, Item 10.—Taxation” and Note 17 to our audited consolidated financial statements, included in our annual report on Form 20-F, incorporated by reference.

Results were also impacted by a foreign exchange loss of US\$ 130.2 million mainly resulting from the 12.5% depreciation of the Brazilian real between December 31, 2013 and December 31, 2014, as compared to a foreign exchange loss of US\$482.2 million in 2013. On the other hand, in 2013 LATAM incurred US\$56.0 million in

non-recurring expenses related to the combination and integration costs, whereas no costs related to integration were incurred in 2014.

Operating Revenues

Our total operating revenues decreased by 6.4% to US\$ 12,093.5 million in the year ended December 31, 2014 compared to revenues of US\$ 12,924.5 million in 2013. The 2014 decrease in operating revenues was attributable to a 6.2% decrease in passenger revenues, and an 8.0% decrease in cargo revenues. Passenger and cargo revenues accounted for 85.8% and 14.2% of total operating revenues in 2014, respectively.

Our consolidated passenger revenues decreased by 6.2% to US\$10,380.1 million in 2014 from US\$11,061.6 million in 2013, as a result of a decrease of 1.1% in our capacity (ASK) and a decrease of 5.1% in our unit revenues (RASK). The decreases in capacity was a result of a 2.4% decrease in our international operations and a 1.4% decrease in our domestic Brazil operations, reflecting our rationalization strategy in these markets, partially offset by an increase of 3.7% in capacity in our domestic capacity in our Spanish speaking countries. Decreases in RASK reflect a decrease of 7.9% in consolidated yields, resulting from the slowdown in economic activity in the region and depreciation of local currencies, the challenging competitive environment in our international operations, and the impact of the World Cup on corporate demand and leisure traffic which took place in Brazil.

Cargo revenues decreased by 8.0%, to US\$1,713.4 million in 2014 from US\$1,863.0 million in 2013, as a result of a decrease of 5.6% in capacity (ATK) and a decrease of 2.5% in unit revenues (RATK). Capacity decreased in our cargo operations mainly as a result of the phase out of our fleet of a Boeing 767F aircraft during the first quarter of the year and lower freighter utilization. Decreases in RATK reflect the still challenging cargo scenario in South America and mainly the weakness of the imports into the region, which have affected our cargo yields, which decreased by 4.8% in 2014 as compared to 2013.

Cost of Sales

Cost of sales decreased by 4.3% to US\$9,624.5 million in the year ended December 31, 2014 from US\$10,054.2 million in 2013, mainly due to lower fuel expenses in the year. As a percentage of total operating revenues, cost of sales increased from 77.8% in 2013 to 79.6% in 2014. The table below presents cost of sales information for the fiscal year ended December 31, 2014 and 2013.

	Year Ended December 31				2014/2013 % change
	2014	2013	2014	2013	
	<i>(in US\$ millions, except as otherwise stated)</i>		<i>As a percentage of total operating revenues</i>		
Revenues	12,093.5	12,924.5	100.0%	100.0%	(6.4%)
Cost of sales	(9,624.5)	(10,054.2)	(79.6)%	(77.8)%	(4.3%)
Aircraft Fuel	(4,167.0)	(4,414.2)	(34.5)%	(34.2)%	(5.6)%
Wages and Benefits.....	(1,751.3)	(1,884.1)	(14.5)%	(14.6)%	(7.0)%
Other Rental and Landing Fees.....	(1,327.2)	(1,373.1)	(11.0)%	(10.6)%	(3.3)%
Depreciation and Amortization.....	(991.3)	(1,041.7)	(8.2)%	(8.1)%	(4.8)%
Aircraft Rentals	(521.4)	(441.1)	(4.3)%	(3.4)%	18.2%
Aircraft Maintenance	(452.7)	(477.1)	(3.7)%	(3.7)%	(5.1)%
Passenger Services	(300.3)	(331.4)	(2.5)%	(2.6)%	(9.4)%
Other Costs of Sales	(113.3)	(94.5)	(0.9)%	(0.7)%	(19.9)%

The decrease in cost of sales was driven by lower aircraft fuel expenses, which decreased by 5.6% to US\$4,167.0 million in 2014 as a result of a 3.7% decrease in fuel consumption related to the Company's capacity adjustments and more fuel efficient fleet and a 4.9% decrease in the full year average fuel price (excluding hedge losses). In addition, LATAM recognized a net loss of US\$108.8 million in fuel hedging in 2014, compared to the fuel hedge gain of US\$22.1 million in 2013. The Company also recognized a US\$3.8 million hedge gain related to foreign currency contracts, which were recognized in the fuel cost line.

Depreciation and amortization decreased by US\$50.4 million amounting to US\$991.3 million, which represents a decrease of 4.8% despite the increase in modern owned aircraft mainly as a result of the phase out of leased aircraft

with the consequent decrease in maintenance depreciation and the positive impact of the depreciation of the Brazilian real in the year as compared to 2013.

Other rental and landing fees decreased by 3.3% to US\$1,327.2 million in 2014 from US\$1,373.1 million in 2013, mainly resulting from lower aeronautical rates related to the depreciation of local currencies.

Aircraft maintenance expenses decreased by 5.1%, from US\$477.1 million in 2013 to US\$452.7 million in 2014, mainly as a result of fleet renewal initiatives and reduced operations, which was partially offset with higher costs related to aircraft redeliveries as part of our fleet restructuring program.

Aircraft rentals increased by 18.2% to US\$521.4 million in 2014 from US\$441.1 million in 2013 despite fewer leased aircraft, as a result of the incorporation of larger and more modern aircraft under operating leases (*i.e.*, Boeing 787s), whereas returned aircraft have mainly been older and smaller models (*i.e.*, Airbus A319, Boeing 737, Dash8 Q400 aircraft).

Passenger service expenses decreased by 9.4%, to US\$300.3 million in 2014 compared to US\$331.4 million in 2013, despite the increase of 1.7% in passengers transported, mainly due to a decrease in certain variable costs per passenger resulting from better negotiations and/or certain new suppliers, a decrease in passenger compensations and the positive effect of the depreciation of the Brazilian real in suppliers.

As a result of the above, gross margin decreased by 14.0% from US\$2,870.4 million in 2013 to US\$2,469.0 million in 2014.

Other Consolidated Results

Other operating income increased in 2014 by 10.5%, from US\$341.6 million in 2013 to US\$377.6 million, mainly due to an increase of US\$93.7 million in revenue from Multiplus' breakage and non-air redemptions during the year.

Distribution costs decreased by 6.7% from US\$1,025.9 million in 2013 to US\$957.1 million in 2014, mainly as a result of lower commissions to agents which decreased by 10.6% from US\$408.7 million to US\$365.5 million, driven by reduced passenger commissions at LAN and TAM related to lower revenues, lower sales fulfillments in some countries and depreciation of local currencies.

Administrative expenses decreased by 13.7% from US\$1,136.1 million in 2013 to US\$980.7 million in 2014, mainly due to a decrease of 5.7% in wages and benefits mainly resulting from the positive impact of the depreciation of the Brazilian real, Chilean peso and Argentinian peso in wages denominated in those currencies.

Other operating expenses decreased by 1.9% from US\$408.7 million in 2013 to US\$401.0 million in 2014, mainly due to a change in the classification of certain taxes in Brazil.

Financial income increased to US\$90.5 million in the year ended December 31, 2014 from US\$72.8 million in 2013, mainly due to an increase in our cash held in currencies different from the US dollar which have higher interest rates during the period.

Financial costs (from non-financial activities) decreased by 7.0% to US\$430.0 million in 2014 from US\$462.5 million in 2013 mainly due to lower debt levels, which was partially offset by a higher average interest rate resulting in part from the securitized bond issued in November 2013. In addition, during the first quarter of the year, we recognized US\$23 million in breakage costs related to the sale and leaseback of 4 of our Boeing 777 aircraft.

Exchange rate differences decreased from a loss of US\$482.2 million in 2013 to a loss of US\$130.2 million in 2014, mainly resulting from the reductions on TAM's balance sheet exposure between assets denominated in Brazilian reais and liabilities denominated in US dollars, which decreased from US\$2.0 billion as of December 2013 to less than US\$1.0 billion as of December 2014. Under other gains (losses), the Company recorded a net gain of US\$33.5 million in 2014 as compared to a net loss of US\$55.4 million in 2013 as a result of mainly due to the prescription and other reversals of tax contingencies at TAM which were recognized at the time of the business combination.

Income tax expense for 2014 amounted to US\$292.4 million as compared to an income tax credit of US\$20.1 million in 2013. This variation includes the recognition of an accounting charge of US\$150.2 million in 2014 due to modifications made to the Chilean Tax System, consisting in a gradual increase of the corporate income tax from 20% to 27% in 2018. For more information, see “—Critical Accounting Policies—Deferred Taxes” below and Note 17 to our audited consolidated financial statements included in our annual report on Form 20-F, incorporated by reference.

LATAM Airlines Group Financial Results Discussion: Year ended December 31, 2013 compared to year ended December 31, 2012

The following table sets forth certain income statement data for LATAM Airlines Group, for the year ended December 31, 2013, and for LATAM Airlines Group, for the year ended December 31, 2012 (including TAM’s results from June 23, 2012). For certain operating data during these periods, see “Form 20-F, Item 3. Key Information—Selected Financial Data,” incorporated by reference.

	Year Ended December 31				
	2013	2012	2013	2012	2013/2012 % change
	(in US\$ millions, except per share and capital stock data)		As a percentage of total operating revenues		
Consolidated Results of Income by Function					
Operating revenues					
Passenger	11,061.6	7,966.8	85.6%	82.0%	38.8%
Cargo	1,863.0	1,743.5	14.4%	18.0%	6.9%
Total operating revenues	12,924.5	9,710.4	100.0%	100.0%	33.1%
Cost of sales	(10,054.2)	(7,634.5)	(77.8)%	(78.6)%	31.7%
Gross margin	2,870.4	2,075.9	22.2%	21.4%	38.3%
Other operating income	341.6	220.2	2.6%	2.3%	55.1%
Distribution costs	(1,025.9)	(803.6)	(7.9)%	(8.3)%	27.7%
Administrative expenses	(1,136.1)	(888.7)	(8.8)%	(9.2)%	27.8%
Other operating expenses	(408.7)	(311.8)	(3.2)%	(3.2)%	31.1%
Financial income	72.8	77.5	0.6%	0.8%	(6.1)%
Financial costs (from non-financial activities)	(462.5)	(294.6)	(3.6)%	(3.0)%	57.0%
Earning on investments (equity method)	2.0	1.0	0.0%	0.0%	100.0%
Exchange rate differences	(482.2)	66.7	(3.7)%	0.7%	(822.9)%
Result of indexation units	0.2	0.0	0.0%	0.0%	100.0%
Other gains/(losses)	(55.4)	(45.8)	(0.4)%	(0.5)%	21.0%
Income (loss) before income taxes	(283.9)	96.7	(2.2)%	1.0%	(393.6)%
Income (loss) tax expense/benefit	20.1	(102.4)	0.2%	(1.1)%	(119.6)%
Net income (loss) for the period	(263.8)	(5.6)	(2.0)%	(0.1)%	4,610.7%
Income (loss) for the period attributable to the parent company's equity holders	(281.1)	(19.1)	(2.2)%	(0.2)%	(1,372.3)%
Income (loss) for the period attributable to non-controlling interests	17.3	13.4	0.1%	0.1%	29.1%
Net (loss) income for the year	(263.8)	(5.6)	(2.0)%	(0.1)%	4,610.7%
Earnings per share					
Basic earnings per share (US\$)	(0.57613)	(0.04627)	n.a. ^(*)	n.a. ^(*)	(1,145.1)%
Diluted earnings per share (US\$)	(0.57613)	(0.04627)	n.a. ^(*)	n.a. ^(*)	(1,145.1)%

(*) The abbreviation “n.a.” means not available.

Net Loss

Net loss for the year ended December 31, 2013 equaled US\$ 263.8 million, representing an increase of US\$ 258.2 million from a net loss of US\$5.6 million in 2012. Net loss attributable to the parents of the company rose to US\$ 281.1 million in 2013 from US\$19.1 million in 2012. Results for the 2013 year were negatively impacted by a foreign exchange loss of US\$ 482.2 million mainly resulting from the depreciation of the Brazilian real in the year. On the other hand, in 2012 and 2013, LATAM incurred US\$47.0 million and US\$7.3 million, respectively, of non-recurring expenses related to the combination and integration costs, and an accounting charge of US\$70 million related to the increase in the Chilean corporate tax rate from 17% to 20% during 2012.

Operating Revenues

Operating revenues increased by 33.1% to US\$12,924.5 million for the year ended December 31, 2013 from US\$9,710.4 million in 2012. Our consolidated passenger revenues increased by 38.8% to US\$11,061.6 million in 2013 from US\$7,966.8 million in 2012, primarily as a result of the consolidation of TAM's revenue for 2012 since June 23.

Cargo revenues increased by 6.9%, to US\$1,863.0 million in 2013 from US\$1,743.5 million in 2012, also as a result of the consolidation of TAM's cargo revenues for full year 2013. The slight increase in cargo revenues in spite of TAM's cargo integration is a result of a weak global cargo scenario which has impacted both cargo traffic and yields.

Cost of Sales

Cost of sales increased by 31.7% to US\$10,054.2 million in the year ended December 31, 2013 from US\$7,634.5 million in 2012, mainly as a result of increased operations due to the complete consolidation of TAM's costs for year 2013. As a percentage of total operating revenues, cost of sales decreased from 78.6% in 2012 to 77.8% in 2013.

The table below presents cost of sales information for the fiscal year ended December 31, 2013 and 2012.

	Year Ended December 31				2013/2012 % change
	2013	2012	2013	2012	
	<i>(in US\$ millions, except as otherwise stated)</i>		<i>As a percentage of total operating revenues</i>		
Revenues	12,924.5	9,710.4	100.0%	100.0%	33.1%
Cost of sales	(10,054.2)	(7,634.5)	(77.8)%	(78.6)%	31.7%
Aircraft Fuel	(4,414.2)	(3,434.6)	(34.2)%	(35.4)%	28.5%
Wages and Benefits.....	(1,884.1)	(1,431.2)	(14.6)%	(14.7)%	31.6%
Other Rental and Landing Fees.....	(1,373.1)	(1,052.6)	(10.6)%	(10.8)%	30.4%
Depreciation and Amortization.....	(1,041.7)	(771.1)	(8.1)%	(7.9)%	35.1%
Aircraft Rentals	(441.1)	(308.8)	(3.4)%	(3.2)%	42.8%
Aircraft Maintenance	(477.1)	(297.6)	(3.7)%	(3.1)%	60.3%
Passenger Services	(331.4)	(239.8)	(2.6)%	(2.5)%	38.2%
Other Costs of Sales	(94.5)	(98.8)	(0.7)%	(1.0)%	(4.3)%

The increase in cost of sales was driven by higher aircraft fuel expenses, which increased by 28.5% to US\$4,414.2 million in 2013 as a result of higher fuel consumption related to the incorporation of TAM's operations from June 23, 2012, which was partially offset by lower average fuel prices and efficiency initiatives. In addition, LATAM recognized a net gain of US\$22.1 million in fuel hedging in 2013, compared to the fuel hedge gain of US\$2.8 million in 2012.

Depreciation and amortization increased by US\$270.6 million amounting to US\$1,041.7 million, which represents an increase of 35.1% mainly due to the incorporation of all of TAM's fleet (including new TAM fleet deliveries in 2012) starting June 23, 2012.

Other rental and landing fees increased by 30.4% to US\$1,373.1 million in 2013 from US\$1,052.6 million in 2012, resulting from higher fees related to a larger operation with the consolidation of TAM's fees for full year 2013.

Aircraft maintenance expenses increased by 60.3%, from US\$297.6 million in 2012 to US\$477.1 million in 2013, as a result of higher costs related to a larger fleet and higher maintenance costs related to redeliveries of aircraft.

Aircraft rentals increased by 42.8% to US\$441.1 million in 2013 from US\$308.8 million in 2012, primarily due to the complete consolidation of TAM's fleet for full year 2013 and the net increase of aircraft under operating leases during the year.

Passenger service expenses increased by 38.2%, to US\$331.4 million in 2013 compared to US\$239.8 million in 2012, mainly resulting from the increase in passengers transported after the combination of LAN and TAM.

As a result of the above, gross margin increased by 38.2% from US\$2,075.9 million in 2012 to US\$2,870.4 million in 2013.

Other Consolidated Results

Other operating income increased in 2013 by US\$121.4 million, from US\$220.2 million to US\$341.6 million, due to the incorporation of TAM's other revenues since June 22, 2012; including a US\$28.7 million revenue from Multiplus' breakage and non-air redemptions, and an income for recognizing US\$11.9 million and US\$ 8.2 million generated as a result of the sale and leaseback of ten Airbus A330 aircraft, and two Airbus A318 aircraft and an engine, respectively, during the second quarter of the year.

Distribution costs increased by 27.7% from US\$803.6 million in 2012 to US\$1,025.9 million in 2013, as a result of the consolidation of TAM's results only starting in June 23, 2012.

Administrative expenses increased by 27.8% from US\$888.7 million in 2012 to US\$1,136.1 million in 2013, mainly due to an increase of 30.6% in wages and benefits resulting from the higher number of employees following the combination of LAN and TAM in 2012.

Other operating expenses increased by 31.1% from US\$311.8 million in 2012 to US\$408.7 million in 2013, as a result of higher sales costs, advertising and marketing expenses and costs related to tours and travel services, related to the integration of TAM's operations from June 23, 2012.

Financial income decreased to US\$72.8 million in the year ended December 31, 2013 from US\$77.5 million in 2012, due to a lower average cash balance and interest rates during the period.

Financial costs (from non-financial activities) increased by 57.0% to US\$462.5 million in 2013 from US\$292.6 million in 2012 due to higher average long- term debt related to fleet financing mainly related to the consolidation of TAM's fleet.

Exchange rate differences decreased from a gain of US\$66.7 million in 2012 to a loss of US\$482.2 million in 2013, mainly resulting from the depreciation of the Brazilian real in the period.

Under other gains (losses), the Company recorded a net loss of US\$55.4 million in 2013 as compared to a net loss of US\$45.8 million in 2012.

Income tax credit for 2013 amounted to US\$ 20.1 million as compared to an income tax expense of US\$102.4 million in 2012. For more information, see "— Critical Accounting Policies—Deferred Taxes" below and Note 17 to our audited consolidated financial statements included in our annual report on Form 20-F, incorporated by reference.

Accounting impact of the business combination

The combination between LAN and TAM has been accounted for using the purchase method of accounting, with LAN treated as the acquirer of TAM.

Consideration paid was calculated, in accordance with IFRS 3, as the sum of the fair value of the LAN shares provided and the Squeeze-Out of the remaining TAM shareholders. Following this criteria, the total consideration paid as of June 22, 2012 was US\$ 3,782.2 million.

As a result of the consolidation, certain TAM assets and liabilities which were accounted for at historical values were incorporated into the consolidated balance sheet at their fair value, as required by applicable accounting principles. Applicable accountings standards permit a one year measurement period, requiring fair value adjustments completed during that period to be adjusted against previously reported goodwill. As of June 30, 2013, the purchase price allocation has been completed. Previously reported goodwill has been adjusted to reflect fair value changes in this one year period. Goodwill as of June 30, 2013 amounts to US\$ 3,890.2 million.

The main adjustments to the balance sheet accounts of TAM as a result of the consolidation with LATAM Airlines Group were related to the fair values of the following: (i) airport slots (Congonhas, JFK and Heathrow airports); (ii) the Multiplus loyalty program; (iii) fleet; and (iv) other provisions, including legal proceedings with a probability of loss below 50%, which are not accounted for under the normal course of business but must be accounted for under a business combination, according to applicable accounting standards (IFRS 3).

U.S. Dollar Presentation and Price-Level Adjustments

General

Foreign currency transactions

(a) Presentation and functional currencies

The items included in the financial statements of LATAM are valued using the currency of the main economic environment in which the entity operates (the “functional currency”). The functional currency of LATAM is the U.S. dollar, which is also the currency of presentation of the audited consolidated financial statements of LATAM and its subsidiaries.

(b) Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates on the transaction dates. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation, at the closing exchange rates, of the monetary assets and liabilities denominated in foreign currency, are shown in the consolidated statement of income.

(c) Group entities

The results and financial position of all the LATAM entities (none of which utilizes the currency of a hyper-inflationary economy) that have a functional currency other than the currency of presentation are translated to the currency of presentation as follows:

- (i) Assets and liabilities of each consolidated statement of financial position are translated at the closing exchange rate on the date of the consolidated statement of financial position;
- (ii) The revenues and expenses of each results account are translated at monthly average rates; and
- (iii) All the resultant exchange differences are shown as a separate component in net equity.

For consolidation purposes, exchange differences arising from the translation of a net investment in foreign entities (or in local entities with a functional currency different to that of the parent), and of loans and other foreign currency instruments designated as hedges for such investments, are recorded within net equity. When the investment is sold, these exchange differences are shown in the consolidated statement of income as part of the loss or gain on the sale.

Adjustments to the goodwill and fair value arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the period-end exchange rate.

Effects of Exchange Rate Fluctuations

Our functional currency is the U.S. dollar in terms of the pricing of our products, composition of our balance sheet and effects on our results of operations. Most of our revenues (58% expected for 2015) are in U.S. dollars or in prices pegged to the U.S. dollar and a substantial portion of our expenses (65% expected for 2015) is denominated in dollars or pegged to the U.S. dollar, particularly fuel costs, landing and over flight fees, aircraft rentals, insurance and aircraft components and supplies.

A substantial majority of our liabilities are denominated in U.S. dollars (74% as of December 31, 2014), including bank loans, certain air traffic liabilities, and certain amounts payable to our suppliers. As of December 31, 2014, 54 % of our assets were denominated in U.S. dollars, principally aircraft, cash and cash equivalents, accounts

receivable and other fixed assets. Substantially all of our commitments, including operating lease and purchase commitments for aircraft, are denominated in U.S. dollars.

On the other hand, balance sheet imbalance denominated in currencies other than the functional currency of the specific entity creates a foreign exchange rate exposure that impacts the foreign exchange losses and gains due to exchange rate fluctuations. We recorded net foreign exchange losses of US\$482.2 million in 2013 and US\$130.2 million in 2014, which are set forth in our consolidated statement of income under “Foreign Exchange gains/(losses)”. For more information, see Notes 23 and 28 to our audited consolidated financial statements included in our annual report on Form 20-F, incorporated by reference.

IFRS/Non-IFRS Reconciliation

We use “Cost per ASK-equivalent” and “Cost per ASK-equivalent excluding fuel price variations” in analyzing operating expenses on a per unit basis. “ASKs” (available seat kilometers) measures the number of seats of capacity available for the transportation of passengers multiplied by the kilometers flown. “ASK- equivalent” includes capacity for both passenger and cargo equivalent tons multiplied by the kilometers flown. The figure is obtained by adding passenger ASKs and the quotient of cargo ATKs (available ton kilometers) divided by 0.095. To obtain our unit costs, which are used by our management in the analysis of our results, we divide our “total costs” by our total ASK-equivalents. “Total costs” are calculated by starting with operating expenses as defined under IFRS and making certain adjustments for interest costs and other revenues. The cost component is further adjusted to obtain “costs per ASK-equivalents excluding fuel price variations,” in order to remove the impact of changes in fuel prices for the year. “Cost per ASK-equivalent” and “Cost per ASK-equivalent excluding fuel price variations” do not have a standardized meaning, and as such may not be comparable to similarly titled measures provided by other companies. These metrics should not be considered in isolation or as a substitute for operating expenses or as indicators of performance or cash flows or as a measure of liquidity.

The table below reconciles our operating expenses (as defined by IFRS) for 2014, 2013 and 2012 to costs used in the calculation of “Cost per ASK-equivalent” and “Cost per ASK-equivalent excluding fuel price variations” for such periods. Figures for 2012 correspond to LATAM’s consolidated audited financial statements prepared in accordance with IFRS for the year ended December 31, 2012, including TAM’s consolidated costs from June 23, 2012 and TAM’s third and fourth quarter operating statistics.

	2014	2013	2012
Cost per ASK-equivalent			
Operating expenses (US\$ thousands)	11,957,780	12,622,197	9,625,466
+ Interest expense (US\$ thousands)	430,034	462,524	294,598
– Interest income (US\$ thousands)	90,500	72,828	77,489
– Other operating income (US\$ thousands)	377,645	341,565	220,156
ASK-equivalent operating expenses	11,919,669	12,670,328	9,622,419
Divided by system’s ASK-equivalents (thousands)	206,197.91	212,236.83	161,209.26
= Cost per ASK equivalent (US\$ cents)	5.78	5.97	5.97
Cost per ASK-equivalent excluding fuel price variations			
ASK-equivalent operating expenses (thousands)	11,919,669	12,670,328	9,622,419
– Actual fuel expenses (US\$ thousands)	4,170,848	4,414,249	3,434,569
+ (Gallons consumed) times (previous year’s fuel price)	4,251,036	4,675,532	2,952,257
ASK-equivalent operating expenses excluding fuel price variations	11,999,857	12,931,611	9,140,107
Divided by system’s ASK-equivalents (thousands)	206,197.91	212,236.83	161,209.26
= Cost per ASK-equivalent excluding fuel price variations (US\$ cents)	5.82	6.09	5.67

In addition, LATAM continues to use revenues per ASK or ATK, as applicable, in analyzing revenues on a per unit basis, which is consistent with how LAN analyzed its revenues before the combination. To obtain unit revenues, we divide our passenger revenues by our total ASKs and our cargo revenues by our total ATKs. We use our revenues as defined under IFRS for purposes of the calculation of this metric. Revenues per ASK or ATK, as the case may be, do not have a standardized meaning, and as such may not be comparable to similarly titled measures provided by other companies. This metric is not an IFRS based measure of performance or liquidity. It should not be considered in isolation or as a substitute for revenues or as indicators of performance or cash flows as a measure of liquidity.

The table below shows the calculation of our revenues per ASK or ATK, as applicable, in each of the periods indicated. Figures for 2012 correspond to LATAM’s consolidated audited financial statements prepared in

accordance with IFRS for the year ended December 31, 2012, including TAM's consolidated revenues from June 23, 2012.

	2014	2013	2012
Passenger Revenues (US\$ million).....	10,380.12	11,061.56	7,966.85
ASK (million).....	130,200.94	131,690.60	93,318.15
Passenger Revenues/ASK (US\$ cents)	7.97	8.40	8.54
Cargo Revenues (US\$ million).....	1,713.38	1,862.98	1,743.53
ATK (million)	7,219.71	7,651.88	6,449.50
Cargo Revenues/ATK (US\$ cents)	23.73	24.35	27.03

Seasonality

Our operating revenues are substantially dependent on overall passenger and cargo traffic volume, which is subject to seasonal and other changes in traffic patterns. Our passenger revenues are generally higher in the first and fourth quarters of each year, during the southern hemisphere's spring and summer. In the Brazilian passenger air transportation market, there is always a higher demand for air transportation services in the second half of the year, leaving the second quarter as the weakest one for the Company. However, the seasonality is partially mitigated by the fact of LATAM having higher than market average concentration of business travel (which is less sensitive to seasonality). Additionally, the expansion of the Company in other countries with different seasonal patterns has also moderated the overall seasonality of the passenger business.

Critical Accounting Policies

The preparation of our consolidated financial statements in accordance with IFRS requires our management to adopt accounting policies and make estimates and judgments to develop amounts reported in our consolidated financial statements and related notes. We strive to maintain a process to review the application of our accounting policies and to evaluate the appropriateness of the estimates that are required to prepare our consolidated financial statements. We believe that the consistent application of these policies enables us and our subsidiaries to provide readers of the financial statements with more useful and reliable information about our operating results and financial condition.

Critical accounting policies and estimates are those that are reflective of significant judgments and uncertainties, and potentially result in materially different outcomes under different assumptions and conditions. For a discussion on these and other accounting policies, see Note 2 to our consolidated financial statements. The following are the accounting policies that we believe are the most important to the portrayal of our financial condition and results of operations and require our most difficult, subjective or complex judgments.

Accounting estimates and judgments

The Company has used estimates to value and book some of the assets, liabilities, revenues, expenses and commitments; these basically refer to:

- The evaluation of possible impairment loss for certain assets.
- The useful life and residual value of fixed assets and intangible assets.
- The criteria employed in the valuation of certain assets.
- Air tickets sold that are not actually used.
- The calculation of deferred income at the period-end corresponding to the valuation of kilometers or points credited to holders of the loyalty programs which have not yet been used.
- The need for provisioning and where required the determination of their values.
- The recoverability of deferred tax assets.

These estimates are made on the basis of the best information available on the matters analyzed.

In any case, it is possible that events will require them to be modified in the future, in which case the effects would be accounted for prospectively.

The management has applied judgment in determining that LATAM Airlines Group S.A. has control over TAM S.A. and Subsidiaries for accounting purposes and therefore has consolidated their financial statements. This judgment is made on the basis that LATAM issued their ordinary shares in exchange for all of the outstanding common and preferred shares of TAM, except those shareholders of TAM who did not accept exchange and which were subject of the squeeze-out entitling LATAM to substantially all of the economic benefits that will be generated by the LATAM Group and also, consequently, exposing it to substantially all the risks incidental to the operations of TAM. This exchange aligns the economic interests of LATAM and all of its shareholders, including the TAM controlling shareholders, ensuring that the shareholders and directors of TAM will have no incentive to exercise their rights in a manner that is beneficial to TAM but detrimental to LATAM. Further, all significant actions required for the operation of the airlines require the affirmative vote of both LATAM and the TAM controlling shareholders.

Since the integration of LAN and TAM operations, most critical airline activities in Brazil have been managed under the TAM CEO and global activities have been managed by the LATAM CEO, who is in charge of the overall operation of the LATAM Group and who reports to the LATAM board. Further, the LATAM CEO evaluates the performance of the LATAM Group executives and, together with the LATAM board, determines compensation. Although there are restrictions on voting interests that currently may be held by foreign investors under Brazilian law, LATAM believes that the economic substance of these arrangements satisfies the requirements established by the applicable accounting standards and that consolidation by LATAM of TAM's operations is appropriate.

Revenue Recognition

Revenues include the fair value of the proceeds received or to be received on sales of goods and rendering services in the ordinary course of the Company's business. Revenues are shown net of refunds, rebates and discounts.

(a) Rendering of services

a.1 Passenger and cargo transport

We recognize passenger and cargo revenues either when the transportation service is provided or when we determine that the tickets will not be used or refunded, which, in the case of passenger revenues, reduces the air traffic liability. We estimate revenue breakage based on historical breakage experience that takes into account the aging of tickets that will not be used or refunded. Commissions payable related to such unearned earnings are shown net of the air traffic liability. Other revenues, including aircraft leases, courier, logistic and ground services, duty free sales, and storage and customs brokering, are recognized when services are provided.

The amount of passenger ticket sales not yet recognized as revenue is reflected as an air traffic liability. Air traffic liability includes estimates of the amount of future refunds and exchanges, net of forfeitures for all unused tickets once the flight date has passed. We perform periodic evaluations of this estimated liability based on actual results. Any adjustments, which can be significant, are included in the results of operations for the periods in which the evaluations are completed. These adjustments relate primarily to the differences between our estimation of certain revenue transactions and the related sales price, as well as refunds, exchanges and other items for which final settlement occurs in periods subsequent to the sale of the related tickets at amounts other than the original sales price.

Actual events and circumstances may differ from historical fare sale activity and customer travel patterns and can result in refunds, exchanges or forfeited tickets differing significantly from estimates. We evaluate our estimates periodically. If actual refunds, exchanges or forfeitures fall outside of our estimated ranges, we review our estimates and assumptions and adjust air traffic liability and passenger revenues as necessary. As with any estimates, actual results may vary from estimated amounts.

a.2 Frequent flyer program

The Company has a frequent flyer program for LATAM passengers called LANPASS and a frequent flyer program for TAM passengers called TAM Fidelidade. Customers can also earn points through Multiplus, a subsidiary of TAM, which permits the accrual of points for many products and services (not just airline flights) and has more than 200 partner establishments, including the TAM Fidelidade program, as of December 31, 2014.

Both frequent flyer programs' objective is customer loyalty through the delivery of LANPASS kilometers or Multiplus points every time that members of the program fly with the Company or its alliance partners, use the services of entities registered with the program or make purchases with an associated credit card. The kilometers/points earned can be exchanged for flight tickets or other services of associated entities.

The consolidated financial statements include LANPASS liabilities for this concept (deferred income), according to the estimate of the valuation established for the kilometers accumulated pending use at that date, in accordance with IFRIC 13: "Customer loyalty programs." Points earned from TAM Fidelidade members are bought from Multiplus and seats redeemed are sold to Multiplus. Multiplus manages the points liabilities. Revenue from both programs are recognized once the purchased tickets are flown.

LANPASS Kilometers expire if they are not utilized over a period of three years. This period is renewable if the passenger takes a flight or meets specific requirements regarding the accumulation of kilometers through one of the partners of the program. Multiplus Points expire if they are not utilized over a period of two years, this period is not renewable.

Property, Plant and Equipment

LATAM's land is recognized at cost less any accumulated impairment loss. The rest of the property, plant and equipment are shown, initially and subsequently, at their historic cost less the corresponding depreciation and any impairment loss.

The amount of advance payments to aircraft manufacturers are capitalized by the Company under "Construction in progress" until receipt of aircraft.

Subsequent costs (replacement of components, improvements and extensions) are included in the value of the initial asset or shown as a separate asset only when it is probable that the future economic benefits associated with the elements of Property, plant and equipment are going to flow to the Company and the cost of the element can be determined reliably. The value of the component replaced is written-off in the books at the time of replacement. The rest of the repairs and maintenance are charged to the result of the year in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method over their estimated useful lives; except in the case of certain technical components, which are depreciated on the basis of cycles and hours flown.

The residual value and useful life of assets is revised, and adjusted if necessary, once a year.

When the carrying amount of an asset is higher than its estimated recoverable amount, its value is reduced immediately to its recoverable amount. For more information, see Note 2.8 to our audited consolidated financial statements.

Losses and gains on the sale of property, plant and equipment are calculated by comparing the proceeds obtained with the book value and are included in the consolidated statement of income.

Maintenance

The costs incurred for scheduled heavy maintenance of the aircraft's fuselage and engines are capitalized and depreciated until the next maintenance. The depreciation rate is determined on technical grounds, according to the use of the aircraft expressed in terms of cycles and flight hours.

In case of on balance sheet aircraft, these maintenance costs are capitalized as Property, plant and equipment, while in the case of off balance sheet aircraft maintenance costs are periodically provided for and recognized through profit and loss as “Cost of sales”.

Additionally, under some of our aircraft operating leases, prepayment deposits are required in order to ensure that funds are available to support the scheduled heavy maintenance of the aircraft. At the end of the lease term, any unused maintenance reserves are either returned to the Company in cash or used to offset amounts that we may owe the lessor as a maintenance adjustment. The Company periodically reviews its maintenance reserves for each of its leased aircraft to ensure that they will be recovered, a process that requires judgment, and recognizes an expense if any such amounts are less than probable of being returned.

The unscheduled maintenance of aircraft and engines, as well as minor maintenance, are charged to results as incurred.

Derivative Financial Instruments and Hedging Activities

Derivatives are booked initially at fair value on the date the derivative contracts are signed and later they continue to be valued at their fair value. The method for booking the resultant loss or gain depends on whether the derivative has been designated as a hedging instrument and, if so, the nature of the item hedged.

The Company designates certain derivatives as:

- (a) Hedge of the fair value of recognized assets (“fair value hedge”);
- (b) Hedge of a identified risk associated with a recognized liability or an expected highly probable transaction (“cash-flow hedge”); or
- (c) Derivatives that do not qualify for hedge accounting.

The Company documents, at the inception of each transaction, the relationship between the hedging instrument and the hedged item, as well as its objectives for managing risk and the strategy for carrying out various hedging transactions. The Company also documents its assessment, both at the beginning and on an ongoing basis, as to whether the derivatives used in the hedging transactions are highly effective in offsetting the changes in the fair value or cash flows of the items being hedged.

The total fair value of the hedging derivatives is booked as an Other non-current financial asset or liability if the remaining maturity of the hedging instrument is over 12 months, and as an Other current financial asset or liability if the remaining term of the hedging instrument is less than 12 months. Derivatives not booked as hedges are classified as other financial assets or liabilities, current in the case that their remaining maturity is less than 12 months and non-current in the case that it is more than 12 months.

(a) Fair value hedges

Changes in the fair value of designated derivatives that qualify as fair value hedges are shown in the consolidated statement of income, together with any change in the fair value of the asset or liability hedged that is attributable to the risk being hedged.

(b) Cash flow hedges

The effective portion of changes in the fair value of designated derivatives that qualify as cash flow hedges is shown in net equity. The loss or gain relating to the ineffective portion is recognized immediately in the consolidated statement of income under “Other gains (losses).” Amounts deferred in equity are reclassified to profit and loss when the related hedged item impacts profit and loss.

In the case of variable interest-rate hedges, this means that the amounts recognized in equity are reclassified to results within financial cost at the same time the associated debts accrue interest.

For fuel price hedges, the amounts shown in equity are reclassified to results as Cost of sales to the extent that the fuel subject to the hedge is used.

For Multiplus' foreign currency hedges, the amounts shown in equity are reclassified to results to the extent that the deferred revenue resulting from the use of points, are recognized as income.

When hedging instruments mature or are sold or when they do not meet the requirements to be accounted for as hedges, any gain or loss accumulated in net equity until that moment remains in equity and is reclassified to the consolidated statement of income when the hedged transaction is finally recognized. When it is expected that the hedged transaction is no longer going to occur, the gain or loss accumulated in net equity is taken immediately to the consolidated statement of income as "Other gains (losses)."

(c) Derivatives not booked as a hedge

The changes in fair value of any derivative instrument that is not booked as a hedge are shown immediately in the consolidated statement of income, in "Other gains (losses)."

Deferred taxes

Deferred taxes are calculated on the temporary differences arising between the tax bases of assets and liabilities and their book values. However, if the temporary differences arise from the initial recognition of a liability or an asset in a transaction other than a business combination that at the time of the transaction does not affect the accounting result or the tax gain or loss, they are not booked. The deferred tax is determined using the tax rates (and laws), that have been enacted or substantially enacted at the end of the reporting period, and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is discharged.

Deferred tax assets are recognized when it is probable that there will be sufficient future tax earnings with which to compensate the temporary differences. Estimating the level of tax earnings for this purpose requires considerable judgment.

The Company does not record deferred tax on temporary differences arising on investments in subsidiaries, *provided* that the opportunity to reverse the temporary differences is controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax on temporary differences arising on investments in associates is immaterial.

Recently Issued Accounting Pronouncements

- IAS 1 Presentation of financial statements (Amendment issued in December 2014) (*)
- IAS 16 Property, plant and equipment (Amendment issued in May 2014 and June 2014) (*)
- IAS 19 Employee benefits (Amendment issued in November 2013)
- IAS 27 Separate financial statements (Amendment issued in August 2014)(*)
- IAS 28 Investments in associate and joint ventures (Amendment issued in September 2014 and December 2014) (*)
- IAS 32 Financial instruments: Presentation (Amendment issued in December 2011)
- IAS 36 impairment of assets (issued in May 2013) The company adopted in advance this amendment at December 31,2013
- IAS 38 Intangible assets (Amendment issued in May 2014) (*)
- IAS 39 Financial instruments: Recognition and measurement (issued in June 2013)
- IFRS 9 Financial instruments (issued in December 2009 and amendment in November 2013) (*)

- IFRS 10 Consolidated financial statements (Amendment issued in September 2014 and December 2014)(*)
- IFRS 11 Joint arrangements (Amendment issued in May 2014) (*)
- IFRS 12 Disclosures of interests in other entities (issued in December 2014) (*)
- IFRS 15 Revenue from contracts with customers (issued in June 2014) (*)
- Improvements issued in 2012
 - (i) IAS 27 Separate financial statements, IFRS 10 Consolidated financial statements and IFRS 12 Disclosure of interest in other entities (October 2012)
- Improvements issued in 2013
 - (i) IFRS 2 Share-based payment (Dec 2013)
 - (ii) IFRS 3 Business combinations (Dec 2013)
 - (iii) IFRS 8 Operating segments (Dec 2013)
 - (iv) IFRS 13 Fair value measurement (Dec 2013)
 - (v) IAS 16 Property, plant and equipment (Dec 2013)
 - (vi) IAS 24 Related party disclosures (Dec 2013)
 - (vii) IFRS 1 First-time adoption of International Finance Reporting Standards (Dec 2013)
 - (viii) IAS 40 Investment property (Dec 2013)
- Improvements issued in 2014
 - (i) IAS 19 Employee benefits (September 2014) (*)
 - (ii) IAS 34 Interim financial reporting (September 2014) (*)
 - (iii) IFRS 5 Non-current assets held for sale and discontinued operations (September 2014) (*)
 - (iv) IFRS 7 Financial instruments: Disclosures (September 2014) (*)
- IFRIC 21 Levies (*)

(*) Standards not yet effective.

The Company's management believes that the early adoption of the standards, amendments and interpretations described above but not yet effective would not have had a significant impact on the Company's consolidated financial statements in the year of their first application. The Company only has early adopted the amendment to IAS 36.

B. Liquidity and Capital Resources

LATAM cash and cash equivalents totaled US\$989.4 million as of December 31, 2014, US\$1,984.9 million as of December 31, 2013 and US\$650.3 million as of December 31, 2012. Additionally, the Company had short term marketable securities totaling US\$544.4 million as of December 31, 2014, US\$576.7 million as of December 31, 2013 and US\$470.1 million as of December 31, 2012. In the aggregate, LATAM's cash and marketable securities totaled US\$1,533.8 million as of December 31, 2014, US\$2,561.6 million as of December 31, 2013 and US\$1,120.3 million as of December 31, 2012.

The US\$1,027.8 million decrease in our cash and marketable securities from 2013 to 2014 was mainly due to the execution of the deleveraging plan, the negative impact of the FIFA World Cup, and the weaker global economic scenario in Latin America. Changes in our net cash generated from operating, investing and financing activities are described below.

Cash position and liquidity

The following table provides a summary of our cash flows from operating activities, investing activities and financing activities for the years ended December 31, 2014, 2013 and 2012 and our total cash position as of December 31, 2014, 2013 and 2012.

	2014	2013	2012
		<i>(in US\$ millions)</i>	
Net cash flows from operating activities	1,331.4	1,408.7	1,203.8
Net cash flow from (used in) investing activities	(899.1)	(1,278.8)	(1,926.4)
Net cash flows from (used in) financing activities	(1,320.2)	1,205.8	1,005.2
Effects of variation in the exchange rate on cash and cash equivalents	(107.6)	(1.0)	(6.7)
Cash and cash equivalents at the beginning of the year	1,984.9	650.3	374.4
Cash and cash equivalents at the end of the year	989.4	1,984.9	650.3

In addition to the cash and marketable securities LATAM has access to short term credit lines. As of December 31, 2014, LATAM had working capital uncommitted credit facilities for a total amount of US\$ 1,827 million, of which US\$953million was drawn as of December 31, 2014, and committed credit lines with a total available amount of US\$145 million, of which \$0 was drawn as of December 31, 2014.

Net cash flows from operating activities

Cash from operations is derived primarily from providing air passenger and cargo transportation to customers. Operating cash outflows are primarily related to the recurring expenses of airline operations, including fuel consumption.

Net cash inflows from operating activities in 2014 decreased US\$77.3 million, or 5.5%, from US\$1,408.7 million, mainly due to the negative impact of the FIFA World Cup on LATAM's operating margin, as well as a generally weaker macroeconomic scenario in Latin America, including slower GDP growth trends and weaker currencies in most countries. In addition the net cash from operations was negatively affected by fuel hedge, hedging margin guarantees and other guarantees in US\$ 251.7 million (for more information see to Note 6 – Cash and Cash Equivalents of our audited consolidated financial statements). Nevertheless, the negative effect was compensated by the cash received from the renewal of the Santander and LANPASS exclusive co-branding agreement.

Net cash inflows from operating activities in 2013 increased \$204.9 million, or 17.0%, from US\$1,203.8 million in 2012, primarily due to an improvement in the operational margin and the turnaround of the Brazilian domestic market, mainly reflected in a stronger fourth quarter operational result.

Net cash flow from (used in) investing activities

Net cash used in investing activities in 2014 decreased US\$379.7 million from US\$1,278.8 million in 2013 to US\$899.1 million in 2014, due to an increase in aircraft sales of US\$265.8 million and a decrease in Aircraft CAPEX of US\$497.8 million, driven by a decrease in aircraft purchases from 20 narrow body aircraft to 9 and 4 wide body aircraft to 3. This reduction was partially offset by an increase in purchases of property, plant and equipment non related to purchase of new aircrafts of US\$556.4 million. It is important to note that during 2014 the sale and leaseback of 4 B777 was reflected in an asset sale of US\$510.5 million and a reduction of debt of US\$516.6 million.

Net cash used in investing activities in 2013 decreased US\$647.6 million from US\$1,926.4 million in 2012 to US\$1,278.8 million in 2013, primarily due to the decrease in capital expenditure and the return of PDP payments relating to the aircraft deliveries. Aircraft purchases in 2013 included 20 narrow body aircraft and 4 wide body aircraft for a total of US\$1,219 million.

Net cash flows from (used in) financing activities

Net cash used in financing activities was (US\$1,320.2 million), a decrease of US\$2,526.0 million from the US\$1,205.8 million in cash generated by financing activities in 2013. The variation resulted primarily from a liability restructuring, including an important reduction of outstanding debt and an increase in debt repayment, mainly the US dollar denominated debt of TAM S.A. of US\$1,327.6 million (for more information see to Note 18-Other Financial Liabilities of our audited consolidated financial statements). The decrease in the net cash generated was also affected by the net effect of the capital increase, where US\$888.6 million was accounted for in 2013 and US\$156.3 million during the first quarter of 2014.

Net cash generated from financing activities increased by US\$200.6 million from US\$1,005.2 million to US\$1,205.8 million in 2013, primarily due to LATAM's capital increase, the increase of long term debt related to new aircraft purchases, but partially offset by the voluntary prepayment of BRL 400 million of local Brazilian bonds.

Sources of financing

Long term

We typically finance our fleet with long-term loans covering between 80% and 100% of the net purchase price. We also finance our aircraft under sale and leaseback arrangements in order to add flexibility to our fleet. For more information regarding to the fleet financing, please refer to “—F. Tabular Disclosure of Contractual Obligations.”

From time to time in the past, we have considered, and may consider in the future, other forms of financing including securitization of ticket receivables or the securitization of fleet and engines or the issuance of additional debt or equity securities.

Short term

We have generally been able to arrange for short-term loans with local Chilean and international banks when we have needed to finance working capital expenditures or increase our liquidity. As of December 31, 2014, we maintained US\$537 million in short-term credit lines with both local and foreign banks, including US\$210 million of committed credit lines.

We have diversified our sources of short term financing to include the following: PAE (“*Prestamos a Exportadores*”), which are foreign currency short term loans granted to exporting parties in Chile mainly to finance working capital; Credit card advancements, a financial alternative where the bank advances to the Company the cash inflows related to the credit card sales on installments with a discount factor; and advance purchases by Multiplus of kilometers for TAM flights, in an amount at any time up to a maximum of R\$500 million.

Capital expenditures

Our capital expenditures are related to the acquisition of aircraft, aircraft-related equipment, IT equipment, support infrastructure and the funding of pre-delivery deposits. LATAM's capital expenditures totaled US\$1,440.4 million in 2014, US\$1,381.8 million in 2013 and US\$2,389.4 million in 2012. See “—Sources of financing” above.

The following chart sets forth our estimate, as of December 31, 2014, of our future capital expenditures for, 2015, 2016, 2017, 2018 and 2019 calendar years:

Estimated capital expenditures by year, as of December 31, 2014					
	2015	2016	2017	2018	2019
	<i>(in US\$ millions)</i>				
Fleet Commitments	1,688	2,343	2,471	2,903	1,229
PDPs ⁽¹⁾	311	165	-432	-651	-18
Purchase Obligations	1,999	2,508	2,039	2,252	1,211
Other expenditures ⁽²⁾	405	373	293	295	108
Total	2,404	2,881	2,332	2,547	1,319

(1) Represents pre-delivery payments made by LATAM, or inflows received by LATAM after the delivery of the aircraft is made, when the manufacturer refunds the PDPs to LATAM.

(2) Includes expenditures on spare engines and parts, information technology and other expenditures.

The expenditures set out in the table above reflect payments for purchases and other fleet-related items, as well as for information technology and other items. See “Form 20-F, Item 4. Information on the Company—Business Overview—Fleet,” incorporated by reference. We have projected our capital expenditures based on our anticipated deliveries of aircraft fleet. See “—F. Tabular Disclosure of Contractual Obligations” below for a description of our purchase obligations, borrowings and other contractual commitments as of December 31, 2014.

C. Research and Development, Patents and Licenses, etc.

LATAM has registered the trademarks “LAN,” “LAN Chile,” “LAN Peru,” “LAN Argentina” and “LAN Ecuador” with the trademark office in Chile, Peru, Argentina and Ecuador, respectively. We license certain brands, logos and trade dress under the alliance agreement with oneworld® related to LAN’s alliance. As long as LAN is a member of oneworld®, it will have the right to continue to use current logos on its aircraft.

TAM holds or has filed registration applications for 135 trademarks before the Instituto Nacional da Propriedade Industrial, or INPI, the body with jurisdiction for registering trademarks and patents in Brazil, and 105 trademarks before the bodies with jurisdiction for registering trademarks in other countries in which TAM operates. Currently, TAM is not aware of any third-party challenges to these applications.

D. Trend Information

For 2015, LATAM expects total passenger ASK growth to be between 2% and 4%. International passenger ASK growth for full year 2015 is expected to grow between 4% and 6%. TAM’s domestic passenger ASKs in the Brazilian market are expected to be flat during 2015. ASKs in Spanish-speaking countries are expected to increase by approximately 4% to 6%.

In the passenger business, we expect to continue to face increased competition, a weaker macroeconomic environment in South America, and depreciated local currencies, putting pressure on yields throughout the region for all players in the industry. Nevertheless, the Company will continue to develop initiatives to improve our operations, with special focus in customer experience and network. Moreover, LATAM’s unique leadership position in a region with growth potential will allow us to continue building our business model in the future.

Regarding cargo operations, LATAM expects cargo ATKs to increase between 1% and 3% for full year 2015, driven by increased availability in the bellies of passenger aircraft.

In the cargo business, we continue to be adversely affected by the challenging macroeconomic environment, which is directly correlated with the number of tons being transported and by the fact that weaker cargo markets globally might further drive additional competition to South America, especially Brazil. However we expect partially offset this negative impact with solid export volumes from Latin America to the United States and Europe. Also, we plan to continue to optimize the utilization of the bellies of our passenger aircraft to maximize synergies associated with the Company’s integrated passenger/cargo business model.

We continue to maintain significant flexibility to adjust the physical size of our fleet. Between 2015 and 2016, we will have 43 operating lease expirations in our passenger fleet and 2 operating lease expirations in our passenger and cargo fleet, which leases can thereafter be terminated without additional costs.

As a result, the Company has more flexibility, as well as a proven track record of acting quickly to adapt our business to economic challenges. In this context, LATAM has developed a robust strategic plan for the next four years (2015-2018), based on three critical success factors: Customer Experience, Network, and Efficiency and Cost Reduction. This plan will improve the way we work, allowing us to become one of the best airline groups in the world, renewing our commitment to sustained profitability and superior shareholder returns.

Cost savings include reductions in fuel and fees, procurement, operations, overhead, and distribution costs, among others. The company has already started work on cost initiatives in all these areas.

Regarding fuel, we expect jet fuel prices will continue to be volatile in 2015, and we will continue to use fuel hedging programs and fuel surcharge mechanisms in both the passenger and cargo businesses to help minimize the impact of short-term movements in crude oil prices.

LATAM has hedged approximately 30% of its estimated fuel consumption for the first quarter of 2015, 25% of its average estimated fuel consumption for the second quarter of 2015, 39% of its average estimated fuel consumption for third quarter 2015, and 39% of its average estimated fuel consumption for fourth quarter 2015. The Company's fuel hedging strategy consists of a combination of collars, swaps and call options for Brent and Jet Fuel.

E. Off-Balance Sheet Arrangements

As of December 31, 2014 the Company had 107 aircraft (of which 70 are obligations of TAM and 37 are obligations of LAN) and 23 aircraft engines under operating leases. These operating leases provide us with flexibility to adjust our fleet to any demand volatility that may affect the airline industry and therefore we consider such arrangements to be of great value to our strategy and financial performance. The total future lease payments related to our operating leases as of December 31, 2014 were US\$ 2,155 million, for all remaining periods through maturity (the latest of which expires in 2026). See “—F. Tabular Disclosure of Contractual Obligations.”

Under the aforementioned operating leases, LATAM is responsible for all maintenance, insurance and other costs associated with operating these aircraft. The Company has not made any residual value or similar guarantees to our lessors. There are certain guarantees and indemnities to other unrelated parties that are not reflected on the Company's balance sheet, but we believe that these will not have a significant impact on our results of operations or financial condition.

LATAM operates 17 aircraft under tax leasing structures. These methods involve the creation of special purpose entities that acquire aircraft with bank and third-party financing. Under IFRS, eight of these aircraft are shown in the consolidated statement of financial position as part of “Property, plant and equipment” and the corresponding debt is shown as a liability and nine TAM tax leases are classified as operating leases for accounting purposes as of December 31, 2014.

As of December 31, 2014, we are not aware of any event, lawsuit, commitment, trend or uncertainty that may result in, or is reasonably likely to result in, the termination of the operating leases. See Note 33 to our audited consolidated financial statements included in our annual report on Form 20-F, incorporated by reference, for a more detailed discussion of these commitments.

F. Tabular Disclosure of Contractual Obligations

We have contractual obligations and commitments primarily related to the payment of aircraft debt and lease arrangements, principal and interest on our non-aircraft long-term debt (which consists of senior notes, a securitized bond and bank loans), and short-term export-import credits for the future incorporation of aircraft to our fleet.

The Company's debt that is secured by aircraft (including Export-Import Bank of the United States (“EX-IM Bank”) Bank guaranteed bonds, Export Credit Agency (“ECA”) guaranteed loans, commercial loans, Japanese Leases with a call option (“JOLCO”) structures and capital leases) as of December 31, 2014, was US\$6,221 million. In general,

LATAM's aircraft debt has 12 year repayment profiles. However, some financing structures feature a balloon payment or a purchase option at the end of the lease. By refinancing this balloon payment, the maturity dates of a number of our aircraft financings have been extended for another 3 to 8 years. Our 2014 aircraft acquisitions are described in further detail below under "—2014 Fleet Acquisitions."

Regarding non-aircraft debt, LATAM issued a securitized bond for an amount of US\$ 450 million in November 2013 with seven years tenor and two years interest only. This bond is backed by future flows of credit card sales of LATAM Airlines in the United States and Canada. The coupon is 6.0% fixed with quarterly payments.

In addition, TAM has three series of senior notes, totaling US\$1,100 million. TAM's senior notes comprise:

- US\$300 million due in 2017, with a fixed coupon of 7.375% payable semi-annually, issued by TAM Capital Inc. and guaranteed on a senior unsecured basis by TAM S.A. and TAM Linhas Aereas. These notes are listed on the Euro MTF market of the Luxembourg Stock Exchange. On December 18, 2007, TAM completed an exchange offer pursuant to which 99.2% of the holders exchanged these notes for new notes that are registered under the Securities Act and otherwise have identical terms;
- US\$300 million due in 2020, with a fixed coupon of 9.5% payable semi-annually, issued by TAM Capital 2 Inc. and guaranteed on a senior unsecured basis by TAM S.A. and TAM Linhas Aereas; and
- US\$500 million due in 2021, with a fixed coupon of 8.375% payable semi-annually, issued by TAM Capital 3 Inc. and guaranteed on a senior unsecured basis by TAM S.A. and TAM Linhas Aereas.

The average interest rate of all of our long term debt (which is our aircraft debt plus the senior notes issued by TAM, the LATAM securitization and bank loans) was 3.68% as of December 31, 2014. Out of the total long-term debt, 68.8% accrues interest at a fixed rate (either through a stated fixed interest rate or through the use of interest rate swap agreements) or is subject to interest rate caps.

As of December 2014, LATAM had US\$1,308.3 million in current debt liabilities. Of this amount, US\$552.5 million was short-term debt, which represents 42% of our total current debt liabilities. The remaining US\$755.7 million is composed mainly of amounts payable within the next 12 months related to aircraft financing.

Various EX-IM Bank loans signed by LATAM for the financing of Boeing 767, 777, 777 freighter and 787 aircraft contain financial covenants and other restrictions, including restrictions in terms of its shareholder composition and disposal of assets. As of December 31, 2014, we also had purchase obligations totaling US\$ 11.7 billion, with deliveries between 2015 and 2021, as set forth below:

- Airbus A320-Family, passenger aircraft deliveries: 97,
- Wide-body passenger aircraft deliveries (which include the Airbus A350 900XWB, the Boeing 787-8, and the Boeing 787-9):49, and
- Boeing 777-Freighter, cargo aircraft deliveries: 2

The following table sets forth our material expected obligations and commitments as of December 31, 2014:

	Payments due by period, as of December 31, 2014				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(US\$ in millions)				
Long-term debt obligations ⁽¹⁾	US\$ 4,727	US\$ 587	US\$ 1,138	US\$ 911	US\$ 2091
Capital (finance) lease obligations	US\$ 1,629	US\$ 350	US\$ 611	US\$ 413	US\$ 256
Operating lease obligations	US\$ 2,155	US\$ 512	US\$ 766	US\$ 436	US\$ 441
Fleet Commitments ⁽²⁾	US\$ 11,689	US\$ 1,688	US\$ 4,814	US\$ 4,132	US\$ 1,055
Total	US\$ 20,200	US\$ 3,137	US\$ 7,329	US\$ 5,892	US\$ 3,843

(1) Long-term debt obligations reflect principal payments on outstanding debt obligations, including aircraft debt, senior notes issued by LAN and TAM and long term bank loans.

(2) Fleet commitments represents the capex equivalent of purchasing all fleet arrivals.

Aircraft Fleet

As of December 31, 2014, we operated a fleet of 327 aircraft, comprised of 313 passenger aircraft and 13 cargo aircraft, as set forth in the following chart:

Number of aircraft in operation			
	Total	Owned ⁽¹⁾	Operating Lease
Passenger aircraft⁽²⁾			
Airbus A320 Family Aircraft			
Airbus A319-100	52	40	12
Airbus A320-200	158	95	63
Airbus A321-200	21	18	3
Airbus A340 Family Aircraft			
Airbus A340-300	3	3	0
Airbus A330-200	13	8	5
Boeing Aircraft			
Boeing 767-300ER	38	34	4
Boeing B787-800	10	6	4
Boeing B777-300ER	10	4	6
Dash Aircraft			
Dash 8-200	7	2	5
Total passenger aircraft	312	210	102
Cargo aircraft			
Boeing 767-300 Freighter ⁽³⁾	11	8	3
Boeing 777-200 Freighter	4	2	2
Total cargo aircraft	15	10	5
Total fleet	327	220	107

(1) Aircraft included within property, plant and equipment.

(2) All passenger aircraft bellies are available for cargo.

(3) In 2014, two cargo aircraft Boeing 767-300 Freighter were subleased to a third party.

2014 Fleet Acquisitions

During 2014, LATAM completed the acquisition of the following wide body aircraft:

- 3 Boeing 787 816 passenger aircraft, financed through EX IM Bank guaranteed bonds.
- 2 Boeing 787 816 passenger aircraft, financed through sale and lease back transactions.

These EX-IM Bank financial obligations have a repayment profile of 12 years, with a guarantee covering 85% of the net purchase price of the aircraft. The EX-IM Bank guarantee is secured with a first priority mortgage on the aircraft in favor of a security trustee on behalf of EX-IM Bank. We have financed the remaining 15% of the net purchase price with our own funds.

Finally, the 2 Boeing 787-8 aircraft financed through sale and leaseback transactions have lease terms of 12 years. These leases are denominated in U.S. dollars and have monthly payments

During 2014, LATAM completed the acquisition of the following narrow body aircraft:

- 9 A321 231 passenger aircraft, financed through commercial loans.
- 4 A320 214 and 2 A321 231, financed through sale and leaseback.

The commercial financing for these 9 Airbus 321-231 aircraft consists of a senior tranche financing 81.7% of the net purchase price of the aircraft. A first priority mortgage on the aircraft exists in favor of a security trustee on behalf of the senior lender. The documentation for each loan follows standard market forms for the type of financing, including standard events of default.

Finally, narrow body aircraft financed through sale and leaseback transactions have lease terms of 8 years. These leases are denominated in U.S. dollars and have monthly payments.

The majority of our wide body and narrow body aircraft financings through EX-IM Bank bonds, ECA guaranteed loans or commercial loans are denominated in U.S. dollars and have quarterly amortizations with a combination of fixed and floating rates linked to USD LIBOR. A small portion of our aircraft debt has monthly or semiannual payments; nevertheless it is also denominated in US dollars and linked to U.S. dollar Libor. Through the use of interest rate swaps and fixed coupon Bond issuances in the case of Boeing aircraft, we have effectively converted a significant portion of our floating rate debt under these loans into fixed rate debt.

DESCRIPTION OF THE CERTIFICATES

The following summary describes the material terms of the Certificates. The summary does not purport to be complete and makes use of terms defined in, and is qualified in its entirety by reference to, all of the provisions of the Basic Agreement, the Certificates, the Trust Supplements, the Liquidity Facilities, the Deposit Agreements, the Escrow Agreements, the Note Purchase Agreement and the Intercreditor Agreement. Except as otherwise indicated, the following summary relates to each of the Trusts and the Certificates issued by each Trust.

General

Each Certificate will represent a fractional undivided interest in one of two (or, if any Class C Certificates are issued, three) LATAM Pass Through Trusts, Series 2015-1: the “**Class A Trust**” and the “**Class B Trust**”, and, if any Class C Certificates are issued, the “**Class C Trust**” (collectively, the “**Trusts**”). The Trusts will be formed pursuant to a pass through trust agreement between LATAM and Wilmington Trust Company, as trustee, to be dated as of the Issuance Date (the “**Basic Agreement**”), and two (or, if any Class C Certificates are issued, three) separate supplements thereto (each, a “**Trust Supplement**” and, together with the Basic Agreement, collectively, the “**Pass Through Trust Agreements**”). The trustee under the Class A Trust and the Class B Trust is referred to herein, respectively, as the “**Class A Trustee**” and the “**Class B Trustee**,” and, if any Class C Certificates are issued, the trustee under the Class C Trust will be referred to herein as the “**Class C Trustee**” (collectively, the “**Trustees**”). The Certificates to be issued by the Class A Trust and the Class B Trust are referred to herein, respectively, as the “**Class A Certificates**” and the “**Class B Certificates**.” The Certificates that may be issued by a Class C Trust are referred to herein as the “**Class C Certificates**.” The Class A Trust will purchase all of the Series A Equipment Notes and the Class B Trust will purchase all of the Series B Equipment Notes, and if any Class C Certificates are issued, the Class C Trust will purchase all of the Series C Equipment Notes. The holders of the Class A Certificates and the Class B Certificates are referred to herein, respectively, as the “**Class A Certificateholders**” and the “**Class B Certificateholders**,” and collectively as the “**Certificateholders**.” Assuming all of the Equipment Notes expected to be issued with respect to the Aircraft are issued, the sum of the initial principal balance of the Equipment Notes held by each Trust will equal the initial aggregate face amount of the Certificates issued by such Trust.

Each Certificate will represent a fractional undivided interest in the related Trust created by the Basic Agreement and the applicable Trust Supplement pursuant to which such Certificate is issued. The property of each Trust (the “**Trust Property**”) will consist of:

- subject to the Intercreditor Agreement, the Equipment Notes acquired by such Trust on or prior to the Delivery Period Termination Date, all monies at any time paid thereon and all monies due and to become due thereunder;
- the rights of such Trust to acquire the related series of Equipment Notes under the Note Purchase Agreement;
- the rights of such Trust under the applicable Escrow Agreement to request the Escrow Agent to withdraw from the Depositary funds sufficient to enable such Trust to purchase the related series of Equipment Notes upon the financing of an Aircraft under the related Indenture on or prior to the Delivery Period Termination Date;
- the rights of such Trust under the Intercreditor Agreement (including all rights to receive monies receivable in respect of such rights);
- all monies receivable under the separate Liquidity Facility for such Trust (there will be no liquidity facility for the Class C Trust); and
- funds from time to time deposited with the applicable Trustee in accounts relating to such Trust (Trust Supplements, Section 1.01)

The Certificates represent fractional undivided interests in the respective Trusts only, and all payments and distributions thereon will be made only from the Trust Property of the related Trust. (Basic Agreement, Sections

2.01 and 3.09; Trust Supplements, Section 3.01) The Certificates do not represent indebtedness of the Trusts, and references in this offering memorandum to interest accruing on the Certificates are included for purposes of computation only. (Basic Agreement, Section 3.09; Trust Supplements, Section 3.01) The Certificates do not represent an interest in or obligation of the Owners, LATAM, the Trustees, the Subordination Agent, any of the Loan Trustees or any affiliate of any thereof. Each Certificateholder by its acceptance of a Certificate agrees to look solely to the income and proceeds from the Trust Property of the related Trust for payments and distributions on such Certificate. (Basic Agreement, Section 3.09)

Pursuant to the Escrow Agreement applicable to each Trust, the Certificateholders of such Trust, as holders of the Escrow Receipts affixed to each Certificate issued by such Trust, are entitled to certain rights with respect to the Deposits relating to such Trust. Accordingly, any transfer of a Certificate will have the effect of transferring the corresponding rights with respect to the Deposits, and rights with respect to the Deposits may not be separately transferred by the Certificateholders. (Escrow Agreements, Section 1.03) In addition, the Certificates and the related Escrow Receipts may not be separately assigned or transferred. Rights with respect to the Deposits and the Escrow Agreement relating to a Trust, except for the right to direct withdrawals for the purchase of related Equipment Notes, will not constitute Trust Property. (Trust Supplements, Section 1.01) Payments to the Certificateholders in respect of the Deposits and the Escrow Receipts relating to a Trust will constitute payments to such Certificateholders solely in their capacity as holders of the related Escrow Receipts.

The Certificates of each Trust will be issued in fully registered form only and will be subject to the provisions described below under “—*Book-Entry; Delivery and Form.*” The Certificates will be issued only in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof, except that one Certificate of each class may be issued in a different denomination. (Trust Supplements, Section 4.01(a))

Payments and Distributions

The following description of distributions on the Certificates should be read in conjunction with the description of the Intercreditor Agreement because the Intercreditor Agreement may alter the following provisions in a default situation. See “—*Subordination*” and “*Description of the Intercreditor Agreement.*”

Payments of interest on the Deposits with respect to each Trust and payments of principal, Make-Whole Amount (if any) and interest on the Equipment Notes or with respect to other Trust Property held in each Trust will be distributed by the Paying Agent (in the case of Deposits) or by the Trustee (in the case of Trust Property of such Trust) to Certificateholders of such Trust on the date receipt of such payment is confirmed, except in the case of certain types of Special Payments.

February 15, May 15, August 15 and November 15 of each year are referred to herein as “**Regular Distribution Dates**” (each Regular Distribution Date or Special Distribution Date, a “**Distribution Date**”).

Interest

The Deposits held with respect to each Trust will accrue interest at the applicable rate per annum for each class of Certificates to be issued by such Trust, payable on each Regular Distribution Date commencing on August 15, 2015, except as described under “*Description of the Deposit Agreements— Other Withdrawals and Return of Deposits.*” The Equipment Notes held in each Trust will accrue interest at the applicable rate per annum applicable to each class of Certificates to be issued by such Trust, payable on each Regular Distribution Date commencing on the first Regular Distribution Date after the respective Equipment Notes are issued, except as described under “*Description of the Equipment Notes—Redemption.*”

The rate per annum applicable to each class of Certificates is set forth on the cover page of this offering memorandum (subject to the adjustments described in “*Exchange Offer; Registration Rights*”); provided that the interest rate applicable to any new Class B Certificates issued in connection with the issuance of any series B equipment notes issued as described in “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates—Refinancing of Certificates*” may differ. The interest rate applicable to each class of Certificates, as shown on the cover page of this offering memorandum, plus an additional margin of 0.50% for any period required by the Registrations Rights Agreement, if applicable, as described in “*Exchange Offer; Registration Rights*”, is referred to as the “**Stated Interest Rate**” for such Trust. Interest payments will be distributed to

Certificateholders of such Trust on each Regular Distribution Date until the final Distribution Date for such Trust, subject to the Intercreditor Agreement. Interest on the Deposits and on the Equipment Notes will be calculated on the basis of a 360-day year, consisting of twelve 30-day months.

Distributions of interest on the Class A Certificates and Class B Certificates will each be supported by a separate Liquidity Facility to be provided by the applicable Liquidity Provider for the benefit of the holders of such Certificates, each of which is expected to provide an aggregate amount sufficient to distribute interest on the Pool Balance thereof at the Stated Interest Rate for such Certificates on up to seven successive quarterly Regular Distribution Dates (without regard to any future distributions of principal on such Certificates), except that no Liquidity Facility will cover interest payable by the Depositary on the Deposits. The Liquidity Facility for any class of Certificates does not provide for drawings thereunder to pay for principal or Make-Whole Amount (if any) with respect to such Certificates, any interest with respect to such Certificates in excess of the Stated Interest Rate therefor, or, notwithstanding the subordination provisions of the Intercreditor Agreement, principal, interest, or Make-Whole Amount (if any) with respect to the Certificates of any other class. Therefore, only the holders of the Class A Certificates and Class B Certificates will be entitled to receive and retain the proceeds of drawings under the applicable Liquidity Facility. See “*Description of the Liquidity Facilities.*” Additional Certificates, including the Class C Certificates, if any, will not have the benefit of a liquidity facility.

Principal

Payments of principal on the issued and outstanding Series A Equipment Notes and Series B Equipment Notes are scheduled to be made in specified amounts on February 15, May 15, August 15 and November 15 in each year, commencing for both series on May 15, 2016, and ending on November 15, 2027 in the case of the Series A Equipment Notes and November 15, 2023 in the case of the Series B Equipment Notes.

The Regular Distribution Dates on which scheduled payments of interest and principal on any Class C Certificates will commence will be set forth in such Class C Certificates.

Distributions

Payments of interest on the Deposits (other than as part of any withdrawals described in “Description of the Deposit Agreements—Other Withdrawals and Return of Deposits”) and payments of interest on or principal of the Equipment Notes (including drawings made under a Liquidity Facility in respect of a shortfall of interest payable on any Certificate) scheduled to be made on a Regular Distribution Date are referred to herein as “**Scheduled Payments.**”) See “*Description of the Equipment Notes—Principal and Interest Payments.*” The “**Final Legal Distribution Date**” for the Class A Certificates is August 15, 2029 and for the Class B Certificates is August 15, 2027.

The Paying Agent with respect to each Escrow Agreement will distribute on each Regular Distribution Date to the Certificateholders of the Trust to which such Escrow Agreement relates all Scheduled Payments received in respect of the related Deposits, the receipt of which is confirmed by the Paying Agent on such Regular Distribution Date. Subject to the Intercreditor Agreement, on each Regular Distribution Date, the Trustee of each Trust will distribute to the Certificateholders of such Trust all Scheduled Payments received in respect of the Equipment Notes held on behalf of such Trust, the receipt of which is confirmed by such Trustee on such Regular Distribution Date. Each Certificateholder of each Trust will be entitled to receive its proportionate share, based upon its fractional interest in such Trust, of any distribution in respect of Scheduled Payments of interest on Deposits relating to such Trust, and, subject to the Intercreditor Agreement, each Certificateholder of each Trust will be entitled to receive its proportionate share, based upon its fractional interest in such Trust, of any distribution in respect of Scheduled Payments of principal of or interest on the Equipment Notes held on behalf of such Trust. Each such distribution of Scheduled Payments will be made by the applicable Paying Agent or the applicable Trustee, as the case may be, to the Certificateholders of record of the relevant Trust on the record date applicable to such Scheduled Payment (generally, 15 days prior to each Regular Distribution Date), subject to certain exceptions. (Basic Agreement, Sections 1.01 and 4.02(a); Escrow Agreements, Section 2.03(a)) If a Scheduled Payment is not received by the applicable Paying Agent or the applicable Trustee, as the case may be, on a Regular Distribution Date but is received within five days thereafter, it will be distributed on the date received to such holders of record. If it is received after such five-day period, it will be treated as a Special Payment and distributed as described below. (Intercreditor Agreement, Section 1.01; Escrow Agreements, Section 2.03(d))

Any payment in respect of, or any proceeds of, any Equipment Note or the collateral under any Indenture, the Owner Share Pledge or other security document (the “**Collateral**”) other than a Scheduled Payment (each, a “**Special Payment**”) will be distributed on, in the case of an early redemption or a purchase of any Equipment Note, the date of such early redemption or purchase (which will be a Business Day), and otherwise on the Business Day specified for distribution of such Special Payment pursuant to a notice delivered by each Trustee (as described below) as soon as practicable after the Trustee has received notice of such Special Payment, or has received the funds for such Special Payment (each, a “**Special Distribution Date**”). Any such distribution will be subject to the Intercreditor Agreement. (Basic Agreement, Sections 4.02(b) and (c); Trust Supplements, Section 7.01(d))

Any Deposits withdrawn because a Triggering Event occurs, and any unused Deposits remaining as of the Delivery Period Termination Date, will be distributed, together with accrued and unpaid interest thereon, but without any premium (each, also a “**Special Payment**”), on a date no earlier than 15 days after the Paying Agent has received notice of the event requiring such distribution (also, a “**Special Distribution Date**”). However, if the day scheduled for such withdrawal is within 10 days before or after a Regular Distribution Date, the Escrow Agent will request that such withdrawal be made on such Regular Distribution Date. Any such distribution will not be subject to the Intercreditor Agreement. (Escrow Agreements, Sections 1.02(f), 2.03(b) and 2.06)

“**Triggering Event**” means (i) the occurrence of an Indenture Event of Default under all of the Indentures resulting in a PTC Event of Default with respect to the most senior class of Certificates then outstanding, (ii) the acceleration of all of the outstanding Series A Equipment Notes and Series B Equipment Notes and Series C Equipment Notes, if issued, or (iii) certain bankruptcy or insolvency events involving LATAM. (Intercreditor Agreement, Section 1.01)

Any Deposits withdrawn because an Aircraft suffers a Delivery Period Event of Loss (or an event that would constitute such a Delivery Period Event of Loss but for the requirement that notice be given or time elapse or both) before such Aircraft is financed pursuant to this offering will be distributed, together with accrued and unpaid interest thereon, but without any premium (each, also a “**Special Payment**”), on a date no earlier than 15 days after the Paying Agent has received notice of the event requiring such distribution (also, a “**Special Distribution Date**”). Any such distribution will not be subject to the Intercreditor Agreement. (Escrow Agreements, Sections 1.02(e), 2.03(b) and 2.07)

Each Paying Agent, in the case of the Deposits, and each Trustee, in the case of the Trust Property, will mail a notice to the Certificateholders of the applicable Trust stating the scheduled Special Distribution Date, the related record date, the amount of the Special Payment and, in the case of a distribution under the applicable Pass Through Trust Agreement, the reason for the Special Payment. In the case of a redemption or purchase of the Equipment Notes held in the related Trust or any withdrawal or return of Deposits described under “*Description of the Deposit Agreements—Other Withdrawals and Return of Deposits*,” such notice will be mailed not less than 15 days prior to the date such Special Payment is scheduled to be distributed, and in the case of any other Special Payment, such notice will be mailed as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment. (Basic Agreement, Section 4.02(c); Trust Supplements, Section 7.01(d); Escrow Agreements, Sections 2.06 and 2.07) Each distribution of a Special Payment, other than a Final Distribution, on a Special Distribution Date for any Trust will be made by the Paying Agent or the Trustee, as applicable, to the Certificateholders of record of such Trust on the record date applicable to such Special Payment. (Basic Agreement, Section 4.02(b); Escrow Agreements, Section 2.03(b)) See “—*Indenture Events of Default and Certain Rights Upon an Indenture Event of Default*” and “*Description of the Equipment Notes—Redemption*.”

Each Pass Through Trust Agreement requires that the Trustee establish and maintain, for the related Trust and for the benefit of the Certificateholders of such Trust, one or more non-interest bearing accounts (the “**Certificate Account**”) for the deposit of payments representing Scheduled Payments received by such Trustee. (Basic Agreement, Section 4.01) Each Pass Through Trust Agreement requires that the Trustee establish and maintain, for the related Trust and for the benefit of the Certificateholders of such Trust, one or more accounts (the “**Special Payments Account**”) for the deposit of payments representing Special Payments received by such Trustee, which will be non-interest bearing except in certain limited circumstances where the Trustee may invest amounts in such account in certain Permitted Investments. (Basic Agreement, Section 4.01 and Section 4.04; Trust Supplements, Section 7.01(c)) Pursuant to the terms of each Pass Through Trust Agreement, the Trustee is required to deposit any Scheduled Payments relating to the applicable Trust received by it in the Certificate Account of such Trust and to deposit any Special Payments received by it in the Special Payments Account of such Trust. (Basic Agreement,

Section 4.01; Trust Supplements, Section 7.01(c)) All amounts so deposited will be distributed by the Trustee on a Regular Distribution Date or a Special Distribution Date, as appropriate. (Basic Agreement, Section 4.02)

Each Escrow Agreement requires that the Paying Agent establish and maintain, for the benefit of the applicable Receiptholders, an account (the “**Paying Agent Account**”), which will be non-interest bearing, and the Paying Agent is under no obligation to invest any amounts held in the Paying Agent Account. (Escrow Agreements, Section 2.02) Pursuant to the terms of the Deposit Agreements, the Depositary agrees to pay interest payable on Deposits and amounts withdrawn from the Deposits as described under “Description of the Deposit Agreements—Other Withdrawals and Return of Deposits,” in accordance with the applicable Deposit Agreement, directly into the related Paying Agent Account. (Deposit Agreements, Section 4) All amounts so deposited in the Paying Agent Accounts will be distributed by the Paying Agent on a Regular Distribution Date or Special Distribution Date, as appropriate. See “*Description of the Deposit Agreements*.”

The Final Distribution for each Trust will be made only upon presentation and surrender of the Certificates for such Trust at the office or agency of the Trustee specified in the notice given by the Trustee of such Final Distribution. (Basic Agreement, Section 11.01) See “—*Termination of the Trusts*” below. Distributions in respect of Certificates issued in global form will be made as described in “—*Book-Entry; Delivery and Form*” below.

If any Regular Distribution Date or Special Distribution Date is not a Business Day, distributions scheduled to be made on such Regular Distribution Date or Special Distribution Date will be made on the next succeeding Business Day and interest will not be added for such additional period. (Basic Agreement, Section 12.12; Trust Supplements, Sections 3.02(c) and 3.02(d))

“**Business Day**” means, with respect to Certificates of any class, any day (a) other than a Saturday, a Sunday or a day on which commercial banks are required or authorized to close in New York, New York; Santiago, Chile; Wilmington, Delaware; or, so long as any Certificate of such class is outstanding, the city and state in which the Trustee, the Subordination Agent or any related Loan Trustee maintains its corporate trust office or receives and disburses funds, and (b) solely with respect to drawings under any Liquidity Facility, which is also a “Business Day” as defined in such Liquidity Facility. (Intercreditor Agreement, Section 1.01)

Subordination

The Certificates are subject to subordination terms set forth in the Intercreditor Agreement. See “*Description of the Intercreditor Agreement—Priority of Distributions*.”

Pool Factors

The “**Pool Balance**” of the Certificates issued by any Trust indicates, as of any date, the original aggregate face amount of the Certificates of such Trust less the aggregate amount of all distributions made as of such date in respect of the Certificates of such Trust or in respect of the Deposits relating to such Trust, other than distributions made in respect of interest or Make-Whole Amount or reimbursement of any costs and expenses incurred in connection therewith. The Pool Balance of the Certificates issued by any Trust as of any date will be computed after giving effect to any distribution with respect to unused Deposits, payment of principal, if any, on the Equipment Notes or payment with respect to other Trust Property held in such Trust and the distribution thereof to be made on such date. (Trust Supplements, Section 1.01; Intercreditor Agreement, Section 1.01)

The “**Pool Factor**” for each Trust as of any Distribution Date is the quotient (rounded to the seventh decimal place) computed by dividing (i) the Pool Balance of such Trust by (ii) the original aggregate face amount of the Certificates of such Trust. The Pool Factor for each Trust as of any Distribution Date will be computed after giving effect to any distribution with respect to unused Deposits, payment of principal, if any, on the Equipment Notes or payments with respect to other Trust Property held in such Trust and the distribution thereof to be made on that date. (Trust Supplements, Section 1.01) The Pool Factor of each Trust will be 1.0000000 on the Issuance Date; thereafter, the Pool Factor for each Trust will decline as described herein to reflect reductions in the Pool Balance of such Trust. The amount of a Certificateholder’s *pro rata* share of the Pool Balance of a Trust can be determined by multiplying the original denomination of the Certificateholder’s Certificate of such Trust by the Pool Factor for such Trust as of the applicable Distribution Date. Notice of the Pool Factor and the Pool Balance for each Trust will be mailed to Certificateholders of such Trust on each Distribution Date. (Trust Supplements, Section 5.01(a))

The following table sets forth the expected aggregate principal amortization schedule (the “**Assumed Amortization Schedule**”) for the Equipment Notes held in each Trust and the resulting Pool Factors with respect to such Trust, assuming that each Aircraft has been subjected to an Indenture on or prior to May 15, 2016 and all of the related Equipment Notes with respect to such Aircraft have been acquired by such Trust by such date. The actual aggregate principal amortization schedule applicable to a Trust and the resulting Pool Factors with respect to such Trust may differ from the Assumed Amortization Schedule because the scheduled distribution of principal payments for any Trust may be affected if, among other things, any Equipment Notes held in such Trust are redeemed or purchased, if the original principal amount of any Equipment Notes held in such Trust is less than the assumed original principal amount, if a default in payment on any Equipment Note occurs, if a Substitute Aircraft (as defined below) is financed in lieu of any Aircraft to be financed pursuant to this offering or if any Aircraft is not subjected to an Indenture and the related Equipment Notes are not acquired by such Trust.

Date	Class A		Class B	
	Scheduled Principal Payments	Expected Pool Factor	Scheduled Principal Payments	Expected Pool Factor
At Issuance	\$ 0.00	1.0000000	\$ 0.00	1.0000000
May 15, 2016	14,593,171.46	0.9827343	4,792,796.13	0.9727077
August 15, 2016	13,063,480.30	0.9672785	3,810,332.30	0.9510100
November 15, 2016	12,897,041.53	0.9520196	4,330,168.99	0.9263522
February 15, 2017	10,290,897.75	0.9398440	5,262,937.27	0.8963827
May 15, 2017	11,246,005.58	0.9265385	5,011,289.27	0.8678462
August 15, 2017	11,991,778.99	0.9123506	4,792,193.74	0.8405574
November 15, 2017	11,991,648.24	0.8981629	4,203,025.80	0.8166235
February 15, 2018	11,991,514.29	0.8839754	4,495,214.52	0.7910258
May 15, 2018	11,991,377.16	0.8697880	4,495,137.21	0.7654285
August 15, 2018	11,991,236.67	0.8556007	4,495,057.89	0.7398317
November 15, 2018	11,991,092.73	0.8414136	4,494,976.73	0.7142354
February 15, 2019	11,990,945.18	0.8272268	4,494,893.50	0.6886395
May 15, 2019	13,113,059.59	0.8117123	4,494,808.34	0.6630441
August 15, 2019	13,112,876.54	0.7961980	4,494,720.76	0.6374492
November 15, 2019	13,112,688.68	0.7806839	4,494,631.08	0.6118548
February 15, 2020	13,112,496.02	0.7651701	4,494,539.16	0.5862609
May 15, 2020	13,112,298.33	0.7496565	4,494,444.84	0.5606676
August 15, 2020	13,112,095.52	0.7341431	4,494,347.97	0.5350748
November 15, 2020	13,111,887.41	0.7186300	4,494,248.56	0.5094826
February 15, 2021	13,111,673.65	0.7031171	4,494,146.59	0.4838909
May 15, 2021	13,111,454.24	0.6876045	4,494,041.77	0.4582999
August 15, 2021	13,111,228.87	0.6720922	4,493,934.16	0.4327095
November 15, 2021	13,110,997.28	0.6565801	4,493,823.67	0.4071197
February 15, 2022	13,110,759.37	0.6410683	4,493,710.03	0.3815305
May 15, 2022	13,110,514.81	0.6255568	4,493,593.32	0.3559421
August 15, 2022	13,110,263.31	0.6100457	4,992,640.60	0.3275118
November 15, 2022	13,110,004.84	0.5945348	5,990,820.11	0.2933974
February 15, 2023	13,109,738.82	0.5790242	5,990,644.82	0.2592841
May 15, 2023	13,109,465.20	0.5635139	7,487,894.08	0.2166448
August 15, 2023	13,109,183.48	0.5480040	6,988,523.62	0.1768491
November 15, 2023	13,108,893.58	0.5324944	31,056,463.17	0.0000000
February 15, 2024	13,108,594.95	0.5169852	0.00	0.0000000
May 15, 2024	13,108,287.39	0.5014764	0.00	0.0000000
August 15, 2024	13,107,970.47	0.4859679	0.00	0.0000000
November 15, 2024	13,107,643.82	0.4704598	0.00	0.0000000
February 15, 2025	13,107,307.03	0.4549521	0.00	0.0000000
May 15, 2025	13,106,959.72	0.4394448	0.00	0.0000000
August 15, 2025	13,106,601.41	0.4239379	0.00	0.0000000
November 15, 2025	13,106,231.63	0.4084315	0.00	0.0000000
February 15, 2026	13,105,849.82	0.3929256	0.00	0.0000000
May 15, 2026	13,105,455.61	0.3774200	0.00	0.0000000
August 15, 2026	13,105,048.39	0.3619150	0.00	0.0000000
November 15, 2026	13,104,627.43	0.3464105	0.00	0.0000000
February 15, 2027	13,104,192.35	0.3309065	0.00	0.0000000
May 15, 2027	13,103,742.36	0.3154030	0.00	0.0000000
August 15, 2027	13,103,276.78	0.2999001	0.00	0.0000000
November 15, 2027	253,479,441.42	0.0000000	0.00	0.0000000

If the Pool Factor and Pool Balance of a Trust differ from the Assumed Amortization Schedule for such Trust, notice thereof will be provided to the Certificateholders of such Trust as described hereafter. The Pool Factor and Pool Balance of each Trust will be recomputed if there has been an early redemption, purchase or default in the payment of principal or interest in respect of one or more of the Equipment Notes held in a Trust, as described in “—*Indenture Events of Default and Certain Rights Upon an Indenture Event of Default*,” “*Possible Issuance of*

Class C Certificates, Additional Certificates and Refinancing Certificates” and “*Description of the Equipment Notes—Redemption*,” or a special distribution of unused Deposits attributable to (a) the occurrence of a Delivery Period Event of Loss (or an event that would constitute such a Delivery Period Event of Loss but for the requirement that notice be given or time elapse or both) with respect to an Aircraft before such Aircraft is financed pursuant to this offering, (b) the occurrence of a Triggering Event or (c) unused Deposits remaining after the Delivery Period Termination Date, in each case as described in “*Description of the Deposit Agreements—Other Withdrawals and Return of Deposits*.” If the aggregate principal payments scheduled for a Regular Distribution Date prior to the Delivery Period Termination Date will not be as set forth in the Assumed Amortization Schedule for a Trust, notice thereof will be mailed to the Certificateholders of such Trust by no later than the 15th day prior to such Regular Distribution Date. Promptly following (i) the Delivery Period Termination Date or, if applicable, the date any unused Deposits are withdrawn following the Delivery Period Termination Date, if there has been, on or prior to such date, (x) any change in the Pool Factor and the scheduled payments from the Assumed Amortization Schedule or (y) any such redemption, purchase, default or special distribution and (ii) the date of any such redemption, purchase, default or special distribution occurring after the Delivery Period Termination Date or, if applicable the date any unused Deposits are withdrawn following the Delivery Period Termination Date, the Pool Factor, Pool Balance and expected principal payment schedule of each Trust will be recomputed after giving effect thereto and notice thereof will be mailed to the Certificateholders of such Trust. (Trust Supplements, Sections 5.01(c) and 5.01(d)) See “—*Reports to Certificateholders*,” “—*Purchase Rights of Certificateholders*,” and “*Description of the Deposit Agreements*.”

Reports to Certificateholders

On each Distribution Date, the applicable Trustee will include with each distribution by it of a Scheduled Payment or Special Payment to the Certificateholders of the related Trust a statement, giving effect to such distribution to be made on such Distribution Date, setting forth the following information (per \$1,000 aggregate principal amount of Certificates as to items (2), (3), (4) and (5) below):

- (1) the aggregate amount of funds distributed on such Distribution Date under the related Pass Through Trust Agreement and under the related Escrow Agreement, indicating the amount, if any, allocable to each source, including any portion thereof paid by the applicable Liquidity Provider;
- (2) the amount of such distribution under the related Pass Through Trust Agreement allocable to principal and the amount allocable to Make-Whole Amount (if any);
- (3) the amount of such distribution under the related Pass Through Trust Agreement allocable to interest, indicating any portion thereof paid by the applicable Liquidity Provider;
- (4) the amount of such distribution under the related Escrow Agreement allocable to interest, if any;
- (5) the amount of such distribution under the related Escrow Agreement allocable to unused Deposits, if any; and
- (6) the Pool Balance and the Pool Factor for such Trust. (Trust Supplements, Section 5.01)

As long as the Certificates are registered in the name of The Depository Trust Company (“**DTC**”) or its nominee (including Cede & Co. (“**Cede**”)) on the record date prior to each Distribution Date, the applicable Trustee will request that DTC post on its Internet bulletin board a securities position listing setting forth the names of all DTC Participants reflected on DTC’s books as holding interests in the applicable Certificates on such record date. On each Distribution Date, the applicable Trustee will mail to each such DTC Participant the statement described above and will make available additional copies as requested by such DTC Participant for forwarding to Certificate Owners. (Trust Supplements, Section 5.01(a))

In addition, after the end of each calendar year, the applicable Trustee will furnish to each person who at any time during the preceding calendar year was a Certificateholder of record a report containing the sum of the amounts determined pursuant to clauses (1), (2), (3), (4) and (5) above with respect to the applicable Trust for such calendar year or, if such person was a Certificateholder during only a portion of such calendar year, for the applicable portion of such calendar year, and such other items as are readily available to such Trustee and which a Certificateholder

reasonably requests as necessary for the purpose of such Certificateholder's preparation of its U.S. federal income tax returns or foreign income tax returns. (Trust Supplements, Section 5.01(b)) Such report and such other items will be prepared on the basis of information supplied to the applicable Trustee by the DTC Participants and will be delivered by such Trustee to such DTC Participants to be available for forwarding by such DTC Participants to Certificate Owners. (Trust Supplements, Section 5.01(b))

At such time, if any, as Certificates are issued in the form of Definitive Certificates, the applicable Trustee will prepare and deliver the information described above to each Certificateholder of record of the applicable Trust as the name and period of record ownership of such Certificateholder appears on the records of the registrar of the applicable Certificates.

Indenture Events of Default and Certain Rights Upon an Indenture Event of Default

Since the Equipment Notes issued under an Indenture will be held in more than one Trust, a continuing Indenture Event of Default would affect the Equipment Notes held by each such Trust. See "*Description of the Equipment Notes—Indenture Events of Default, Notice and Waiver*" for a list of Indenture Events of Default.

Upon the occurrence and during the continuation of an Indenture Event of Default under an Indenture, the Controlling Party may direct the Loan Trustee under such Indenture to accelerate the Equipment Notes issued thereunder and may direct the Loan Trustee under such Indenture in the exercise of remedies thereunder and may sell all (but not less than all) of such Equipment Notes or foreclose and sell the Collateral under such Indenture to any person, subject to certain limitations. See "*Description of the Intercreditor Agreement—Intercreditor Rights—Limitation on Exercise of Remedies*." The proceeds of any such sale will be distributed pursuant to the provisions of the Intercreditor Agreement. Any such proceeds so distributed to any Trustee upon any such sale will be deposited in the applicable Special Payments Account and will be distributed to the Certificateholders of the applicable Trust on a Special Distribution Date. (Basic Agreement, Sections 4.01 and 4.02; Trust Supplements, Sections 7.01(c) and 7.01(d)).

The market for Aircraft or Equipment Notes during the continuation of any Indenture Event of Default may be limited and there can be no assurance as to whether they could be sold or the price at which they could be sold. If any Equipment Notes are sold for less than their outstanding principal amount, or any Aircraft are sold for less than the outstanding principal amount of the related Equipment Notes, certain Certificateholders will receive a smaller amount of principal distributions than anticipated and will not have any claim for the shortfall against the Owners or LATAM (except in the case that Aircraft are sold for less than the outstanding principal amount of the related Equipment Notes), any Liquidity Provider or any Trustee. Neither the Trustee of the Trust holding such Equipment Notes nor the Certificateholders of such Trust, furthermore, could take action with respect to any remaining Equipment Notes held in such Trust as long as no Indenture Event of Default existed with respect thereto.

Any amount, other than Scheduled Payments received on a Regular Distribution Date or within five days thereafter, distributed to the Trustee of any Trust by the Subordination Agent on account of the Equipment Notes or other Trust Property held in such Trust following an Indenture Event of Default under any Indenture will be deposited in the Special Payments Account for such Trust and will be distributed to the Certificateholders of such Trust on a Special Distribution Date. (Basic Agreement, Section 4.02(b); Trust Supplements, Sections 1.01 and 7.01(c); Intercreditor Agreement, Sections 1.01 and 2.04)

Any funds representing payments received with respect to any defaulted Equipment Notes, or the proceeds from the sale of any Equipment Notes, held by the Trustee in the Special Payments Account for such Trust will, to the extent practicable, be invested and reinvested by such Trustee in certain Permitted Investments pending the distribution of such funds on a Special Distribution Date. (Basic Agreement, Section 4.04) "**Permitted Investments**" are defined as obligations of the United States or agencies or instrumentalities thereof the payment of which is backed by the full faith and credit of the United States and which mature in not more than 60 days after they are acquired or such lesser time as is required for the distribution of any Special Payments on a Special Distribution Date. (Basic Agreement, Section 1.01)

Each Pass Through Trust Agreement provides that the Trustee of the related Trust will, within 90 days after the occurrence of a default (as defined below) known to it, notify the Certificateholders of such Trust by mail of such default, unless such default has been cured or waived; *provided that*, (i) in the case of defaults not relating to the

payment of money, such Trustee will not give notice until the earlier of the time at which such default becomes an Indenture Event of Default and the expiration of 60 days from the occurrence of such default, and (ii) except in the case of default in a payment of principal, Make-Whole Amount (if any), or interest on any of the Equipment Notes held in such Trust, the applicable Trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of such Certificateholders. (Basic Agreement, Section 7.02) For the purpose of the provision described in this paragraph only, the term “default” with respect to a Trust means an event that is, or after notice or lapse of time or both would become, an event of default with respect to such Trust or a Triggering Event under the Intercreditor Agreement, and the term “event of default” with respect to a Trust means an Indenture Event of Default under any Indenture pursuant to which Equipment Notes held by such Trust were issued.

Each Pass Through Trust Agreement contains a provision entitling the Trustee of the related Trust, subject to the duty of such Trustee during a default to act with the required standard of care, to be offered reasonable security or indemnity by the holders of the Certificates of such Trust before proceeding to exercise any right or power under such Pass Through Trust Agreement or the Intercreditor Agreement at the request of such Certificateholders. (Basic Agreement, Section 7.03(e))

Subject to certain qualifications set forth in each Pass Through Trust Agreement and to certain limitations set forth in the Intercreditor Agreement, the Certificateholders of each Trust holding Certificates evidencing fractional undivided interests aggregating not less than a majority in interest in such Trust will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee with respect to such Trust or pursuant to the terms of the Intercreditor Agreement or the applicable Liquidity Facility, or exercising any trust or power conferred on such Trustee under such Pass Through Trust Agreement, the Intercreditor Agreement, or such Liquidity Facility, including any right of such Trustee as Controlling Party under the Intercreditor Agreement or as a Noteholder. (Basic Agreement, Section 6.04) See “*Description of the Intercreditor Agreement— Intercreditor Rights—Controlling Party.*”

Subject to the Intercreditor Agreement, the holders of the Certificates of a Trust evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust may on behalf of the holders of all of the Certificates of such Trust waive any past Indenture Event of Default or “default” under the related Pass Through Trust Agreement and its consequences or, if the Trustee of such Trust is the Controlling Party, may direct such Trustee to so instruct the applicable Loan Trustee; *provided, however*, that the consent of each holder of a Certificate of a Trust is required to waive (i) a default in the deposit of any Scheduled Payment or Special Payment or in the distribution thereof, (ii) a default in payment of the principal, Make-Whole Amount (if any) or interest with respect to any of the Equipment Notes held in such Trust or (iii) a default in respect of any covenant or provision of the related Pass Through Trust Agreement that cannot be modified or amended without the consent of each Certificateholder of such Trust affected thereby. (Basic Agreement, Section 6.05) Each Indenture will provide that, with certain exceptions, the holders of the majority in aggregate unpaid principal amount of the Equipment Notes issued thereunder may on behalf of all such holders waive any past default or Indenture Event of Default thereunder. Notwithstanding such provisions of the Indentures, pursuant to the Intercreditor Agreement only the Controlling Party will be entitled to waive any such past default or Indenture Event of Default. See “*Description of the Intercreditor Agreement— Intercreditor Rights—Controlling Party.*”

If the same institution acts as Trustee of multiple Trusts, such Trustee could be faced with a potential conflict of interest upon an Indenture Event of Default. In such event, each Trustee has indicated that it would resign as Trustee of one or all such Trusts, and a successor trustee would be appointed in accordance with the terms of the applicable Pass Through Trust Agreement. Wilmington Trust Company will be the initial Trustee under each Trust. (Basic Agreement, Sections 7.08 and 7.09)

Purchase Rights of Certificateholders

After the occurrence and during the continuation of a Certificate Buyout Event, with ten days’ prior written irrevocable notice to the Class A Trustee, the Class B Trustee and each other Class B Certificateholder, and so long as no holder of Class C Certificates (if any) shall have elected to exercise its Class C Buyout Right (as defined below) and given notice of such election, each Class B Certificateholder (other than LATAM or any of its affiliates) will have the right (the “**Class B Buyout Right**”) to purchase all, but not less than all, of the Class A Certificates on the third Business Day next following the expiry of such ten-day notice period; *provided* that, if any Class C

Certificates have been issued, such Class B Buyout Right shall terminate upon notification of an election to exercise Class C Buyout Right, but shall be revived if the exercise of such Class C Buyout Right is not consummated on the purchase date proposed therefor.

If any Class C Certificates have been issued, the holders of such Class C Certificates (other than LATAM or any of its affiliates) will have the right (the “**Class C Buyout Right**”), regardless of the exercise of purchase rights by any Class B Certificateholder, to purchase all but not less than all of the Class A Certificates and Class B Certificates.

If any Additional Certificates have been issued, the holders of such Additional Certificates (other than LATAM or any of its affiliates) will have the right, regardless of the exercise of purchase rights by any Class B Certificateholder or, if any Class C Certificates have been issued, Class C Certificateholder or any holder of a more senior class of Additional Certificates, to purchase all but not less than all of the Class A Certificates and Class B Certificates and, if any Class C Certificates have been issued, Class C Certificates and, if applicable, any other class of Additional Certificates ranking senior in right of payment to any such class of Additional Certificates. See “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates.*”

If Refinancing Certificates are issued, holders of such Refinancing Certificates will have the same right (subject to the same terms and conditions) to purchase Certificates as the holders of the Certificates that such Refinancing Certificates refinanced. See “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates.*”

In each case, the purchase price will be equal to the Pool Balance of the relevant class or classes of Certificates plus accrued and unpaid interest thereon to the date of purchase, without any premium, but including any other amounts then due and payable to the Certificateholders of such class or classes under the related Pass Through Trust Agreement, the Intercreditor Agreement, the related Escrow Agreement, any Equipment Note held as part of the related Trust Property or the related Indenture and Participation Agreement or on or in respect of such Certificates; *provided, however*, that if such purchase occurs after (i) a record date specified in the related Escrow Agreement relating to the distribution of unused Deposits and/or accrued and unpaid interest on Deposits and prior to or on the related distribution date under such Escrow Agreement, such purchase price will be reduced by the aggregate amount of unused Deposits and/or interest to be distributed under such Escrow Agreement (which deducted amounts will remain distributable to, and may be retained by, the Certificateholders of such class or classes as of such record date), or (ii) the record date under the related Pass Through Trust Agreement relating to any Distribution Date, such purchase price will be reduced by the amount to be distributed thereunder on such related Distribution Date (which deducted amounts will remain distributable to, and may be retained by, the Certificateholders of such class or classes as of such record date). Such purchase right may be exercised by any Certificateholder of the class or classes entitled to such right.

In each case, if prior to the end of the ten-day notice period, any other Certificateholder(s) of the same class notifies the purchasing Certificateholder that such other Certificateholder(s) want(s) to participate in such purchase, then such other Certificateholder(s) (other than LATAM or any of its affiliates) may join with the purchasing Certificateholder to purchase the applicable senior Certificates *pro rata* based on the interest in the Trust with respect to such class held by each purchasing Certificateholder of such class. Upon consummation of such a purchase, no other Certificateholder of the same class as the purchasing Certificateholder will have the right to purchase the Certificates of the applicable class or classes during the continuance of such Certificate Buyout Event. If LATAM or any of its affiliates is a Certificateholder, it will not have the purchase rights described above. (Trust Supplements, Section 6.01)

A “**Certificate Buyout Event**” means that either a LATAM Bankruptcy Event has occurred and is continuing or an Indenture Event of Default relating to the bankruptcy or insolvency of any Owner has occurred and is continuing and either of the following events has occurred: (A)(1) the 60-day period from the occurrence of such LATAM Bankruptcy Event or such Indenture Event of Default has expired (the “**60-Day Period**”) and (2) LATAM or the relevant Owner or an applicable reorganization administrator has not cured all defaults under all of the Indentures and all of the Leases (other than a default constituted by the occurrence of such LATAM Bankruptcy Event or such Indenture Event of Default) and agreed to perform all future obligations under all of the Indentures and all of the Leases, as the case may be, or if it has done so, thereafter an Indenture Event of Default or a Lease Event of Default (other than a default constituted by the occurrence of such LATAM Bankruptcy Event or such Indenture Event of

Default) shall have occurred and be continuing or (B) if prior to the expiry of the 60-Day Period, LATAM or any Owner will have abandoned any Aircraft. (Intercreditor Agreement, Section 1.01)

PTC Event of Default

A Pass Through Certificate Event of Default (a “**PTC Event of Default**”) with respect to each Pass Through Trust Agreement and the related class of Certificates means the failure to distribute within ten Business Days after the applicable Distribution Date either:

1. the outstanding Pool Balance of such class of Certificates on the Final Legal Distribution Date for such class; or
2. interest scheduled for distribution on such class of Certificates on any Distribution Date (unless the Subordination Agent has made an Interest Drawing, or a withdrawal from the Cash Collateral Account for such class of Certificates, in an aggregate amount sufficient to pay such interest and has distributed such amount to the Trustee entitled thereto). (Intercreditor Agreement, Section 1.01)

Any failure to make expected principal distributions with respect to any class of Certificates on any Regular Distribution Date (other than the Final Legal Distribution Date) will not constitute a PTC Event of Default with respect to such Certificates.

A PTC Event of Default with respect to the most senior outstanding class of Certificates resulting from an Indenture Event of Default under all Indentures will constitute a Triggering Event.

Merger, Consolidation and Transfer of Assets

Each Owner will be prohibited from consolidating with or merging into any other person or conveying, transferring or, except as contemplated by the Leases and the Indentures to which it is a party, conveying, transferring or leasing any of its assets to any other person. (Note Purchase Agreement, Section 4(a)(iii))

LATAM will be prohibited from consolidating with or merging into any other entity where LATAM is not the surviving entity or conveying, transferring, or leasing substantially all of its assets as an entirety to any other entity unless:

- immediately prior to such transaction and immediately after giving effect to such transaction, no Event of Default shall have occurred or be continuing;
- the successor or transferee entity is organized and validly existing under the laws of (x) the Republic of Chile or any territory thereof or (y) United States or any state thereof or the District of Columbia and, in the case of clause (y), such successor or transferee shall be a United States certificated air carrier, if and so long as such status is a condition of entitlement to the benefits of Section 1110 of the U.S. Bankruptcy Reform Act of 1978, as amended, with respect to the Leases or the Aircraft; and
- the successor or transferee entity expressly assumes all of the obligations of LATAM contained in the Basic Agreement and any Trust Supplement, the Note Purchase Agreement, the Equipment Notes, the Indentures, the Participation Agreements and the Leases.

(Basic Agreement, Section 5.02; Trust Supplements, Section 8.01; Note Purchase Agreement, Section 4(a)(iii))

The Basic Agreement, the Trust Supplements, the Note Purchase Agreement, the Indentures, the Participation Agreements and the Leases will not contain any covenants or provisions that may afford any Trustee or any Certificateholder protection in the event of a highly leveraged transaction, including transactions effected by management or affiliates, which may or may not result in a change in control of LATAM.

Modification of the Pass Through Trust Agreements and Certain Other Agreements

Each Pass Through Trust Agreement contains provisions permitting LATAM and the Trustee thereof to enter into one or more agreements supplemental to such Pass Through Trust Agreement or, at the request of LATAM, execute amendments or agreements supplemental to the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement or any Liquidity Facility, without the consent of the holders of any of the Certificates of such Trust, to among other things:

- evidence the succession of another corporation or entity to LATAM and the assumption by such successor of the covenants of LATAM contained in the Basic Agreement, any related Trust Supplement, the Intercreditor Agreement, the Note Purchase Agreement or any Liquidity Facility;
- add to LATAM's covenants for the benefit of holders of any Certificates or surrender any right or power conferred upon LATAM in such Pass Through Trust Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement or any Liquidity Facility;
- cure any ambiguity or correct any mistake or inconsistency contained in any Certificates, the Basic Agreement, any related Trust Supplement, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement or any Liquidity Facility;
- make or modify any other provision with respect to matters or questions arising under any Certificates, the Basic Agreement, any related Trust Supplement, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement or any Liquidity Facility, as LATAM may deem necessary or desirable and that will not materially adversely affect the interests of the holders of the related Certificates;
- comply with any requirement of the SEC, any applicable law, rules or regulations of any exchange or quotation system on which any Certificates are listed (or to facilitate any listing of any Certificates on any exchange or quotation system) or any requirement of DTC or like depository or of any regulatory body;
- modify, eliminate or add to the provisions of such Pass Through Trust Agreement, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement or any Liquidity Facility to the extent necessary to establish, continue or obtain the qualification of such Pass Through Trust Agreement (including any supplemental agreement), the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement or any Liquidity Facility, under the United States Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"), or under any similar federal statute enacted after the date of such Pass Through Trust Agreement, and with certain exceptions, add to such Pass Through Trust Agreement, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement or any Liquidity Facility such other provisions as may be expressly permitted by the Trust Indenture Act;
- (i) evidence and provide for a successor Trustee under such Pass Through Trust Agreement, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement, any Indenture or any Liquidity Facility, (ii) evidence the substitution of a Liquidity Provider with a replacement liquidity provider or to provide for any Replacement Facility, all as provided in the Intercreditor Agreement, (iii) evidence the substitution of the Depository with a replacement depository or provide for a replacement deposit agreement, all as provided in the Note Purchase Agreement, (iv) evidence and provide for a successor Escrow Agent or Paying Agent under the related Escrow Agreement or (v) add to or change any of the provisions of such Pass Through Trust Agreement, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Participation Agreement or any Liquidity Facility, as necessary to provide for or

facilitate the administration of the Trust under such Pass Through Trust Agreement by more than one trustee or to provide multiple liquidity facilities for one or more Trusts;

- provide certain information to the Trustee as required in such Pass Through Trust Agreement;
- add to or change any provision of any Certificates, the Basic Agreement or any Trust Supplement to facilitate or provide for the issuance of such Certificates in global form in addition to or in place of Certificates in certificated form;
- provide for the delivery of any agreement supplemental to such Pass Through Trust Agreement or any Certificates in or by means of any computerized, electronic or other medium, including by computer diskette;
- correct or supplement the description of any property constituting property of such Trust;
- modify, eliminate or add to the provisions of the Basic Agreement, any Trust Supplement, the Note Purchase Agreement, any Indenture, any Lease or any Participation Agreement to reflect the substitution of a substitute aircraft for any Aircraft;
- comply with any requirement of the SEC in connection with the qualification of such Pass Through Trust Agreement, or any other agreement or instrument related to any Certificates under the Trust Indenture Act; or
- make any other amendments or modifications to such Pass Through Trust Agreement; *provided* that such amendments or modifications will only apply to Certificates of one or more class to be hereafter issued;

provided, however, that, except to the extent otherwise provided in the supplemental agreement, unless there shall have been obtained from each Rating Agency written confirmation to the effect that such supplemental agreement would not result in a reduction of the rating for any class of Certificates below the then current rating of such class of Certificates or a withdrawal or suspension of the rating of any class of Certificates, LATAM shall provide the applicable Trustee with an opinion of counsel to the effect that such supplemental agreement will not cause the related Trust to be treated as other than a grantor trust for U.S. federal income tax purposes, unless an Indenture Event of Default shall have occurred and be continuing, in which case such opinion shall be to the effect that such supplemental agreement will not cause the applicable Trust to become an association taxable as a corporation for U.S. federal income tax purposes. (Basic Agreement, Section 9.01; Trust Supplements, Section 8.02)

Each Pass Through Trust Agreement also contains provisions permitting LATAM and the related Trustee to enter into one or more agreements supplemental to such Pass Through Trust Agreement or any other Pass Through Trust Agreements, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement, any Certificate, any Participation Agreement or any other operative document with respect to any Aircraft or any Liquidity Facility, without the consent of the Certificateholders of the related Trust, to provide for the issuance of Additional Certificates, including Class C Certificates, or any Refinancing Certificates, the formation of related trusts, the purchase by such trusts of the related equipment notes, the establishment of certain matters with respect to such Class C Certificates, Additional Certificates or Refinancing Certificates, and other matters incidental thereto or as otherwise contemplated by the Basic Agreement, all as provided in, and subject to certain terms and conditions set forth in, the Note Purchase Agreement and the Intercreditor Agreement. (Trust Supplements, Section 8.02) See “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates.*”

Each Pass Through Trust Agreement also contains provisions permitting the execution, with the consent of the holders of the Certificates of the related Trust evidencing fractional undivided interests aggregating not less than a majority in interest of such Trust, of supplemental agreements adding any provisions to or changing or eliminating any of the provisions of such Pass Through Trust Agreement, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or any Liquidity Facility, to the extent applicable to such Certificateholders, or modifying the rights of such Certificateholders under such Pass Through Trust Agreement, the related Deposit Agreement, the related Escrow Agreement, the Intercreditor Agreement, the

Note Purchase Agreement or any Liquidity Facility, except that no such supplemental agreement may, without the consent of the holder of each outstanding Certificate adversely affected thereby:

- reduce in any manner the amount of, or delay the timing of, any receipt by the related Trustee (or, with respect to the Deposits, the Receiptholders) of payments on the Equipment Notes held in such Trust, or distributions in respect of any Certificate of such Trust (or, with respect to the Deposits, payments upon the Deposits), or change the date or place of any payment of any such Certificate or change the coin or currency in which any such Certificate is payable, or impair the right of any Certificateholder of such Trust to institute suit for the enforcement of any such payment or distribution when due;
- permit the disposition of any Equipment Note held in such Trust or otherwise deprive such Certificateholder of the benefit of the ownership of the Equipment Notes in such Trust, except as provided in such Pass Through Trust Agreement, the Intercreditor Agreement or any applicable Liquidity Facility;
- alter the priority of distributions specified in the Intercreditor Agreement in a manner materially adverse to the interests of any holders of any outstanding Certificates;
- reduce the percentage of the aggregate fractional undivided interests of the Trust provided for in the Pass Through Trust Agreement, the consent of the holders of which is required for any such supplemental agreement or for any waiver provided for in the Pass Through Trust Agreement;
- modify certain amendment provisions in such Pass Through Trust Agreement, except to increase the percentage of the aggregate fractional undivided interests of the related Trust provided for in such Pass Through Trust Agreement, the consent of the Certificateholders of which is required for any such supplemental agreement provided for in such Pass Through Trust Agreement, or to provide that certain other provisions of such Pass Through Trust Agreement cannot be modified or waived without the consent of the Certificateholder of each Certificate of such class affected thereby; or
- cause any Trust to become an association taxable as a corporation for U.S. federal income tax purposes. (Basic Agreement, Section 9.02; Trust Supplements, Section 8.03)

Notwithstanding any other provision, no amendment or modification of the buyout rights described in “—*Purchase Rights of Certificateholders*” shall be effective unless the Trustee of each class of Certificates affected by such amendment or modification shall have consented thereto. (Trust Supplements, Section 8.04)

If a Trustee, as holder (or beneficial owner through the Subordination Agent) of any Equipment Note in trust for the benefit of the Certificateholders of the relevant Trust or as Controlling Party under the Intercreditor Agreement, receives (directly or indirectly through the Subordination Agent) a request for a consent to any amendment, modification, waiver or supplement under any Indenture, any Participation Agreement, any Lease, any Equipment Note, the Note Purchase Agreement or certain other related documents, then subject to the provisions described above in respect of modifications for which consent of such Certificateholders is not required, such Trustee will forthwith send a notice of such proposed amendment, modification, waiver or supplement to each Certificateholder of the relevant Trust registered on the register of such Trust as of the date of such notice. Such Trustee will request from the Certificateholders of such Trust a direction as to:

- whether or not to take or refrain from taking (or direct the Subordination Agent to take or refrain from taking) any action which a holder of such Equipment Note or the Controlling Party has the option to direct;
- whether or not to give or execute (or direct the Subordination Agent to give or execute) any waivers, consents, amendments, modifications or supplements as such a Noteholder or as Controlling Party; and

- how to vote (or direct the Subordination Agent to vote) any such Equipment Note if a vote has been called for with respect thereto. (Basic Agreement, Section 10.01; Intercreditor Agreement, Section 8.01(b))

Provided such a request for Certificateholder direction shall have been made, in directing any action or casting any vote or giving any consent as the holder of any Equipment Note (or in directing the Subordination Agent in any of the foregoing):

- other than as Controlling Party, such Trustee shall vote for or give consent to any such action with respect to such Equipment Note in the same proportion as that of (x) the aggregate face amount of all Certificates actually voted in favor of or for giving consent to such action by such direction of Certificateholders to (y) the aggregate face amount of all outstanding Certificates of such Trust.
- as the Controlling Party, such Trustee shall vote as directed in such Certificateholder direction by the Certificateholders evidencing fractional undivided interests aggregating not less than a majority in interest in such Trust. (Basic Agreement, Section 10.01)

For purposes of the immediately preceding paragraph, a Certificate is deemed “actually voted” if the Certificateholder thereof has delivered to the applicable Trustee an instrument evidencing such Certificateholder’s consent to such direction prior to one Business Day before such Trustee directs such action or casts such vote or gives such consent. Notwithstanding the foregoing, but subject to certain rights of the Certificateholders under the relevant Pass Through Trust Agreement and subject to the Intercreditor Agreement, such Trustee may, in its own discretion and at its own direction, consent and notify the relevant Loan Trustee of such consent (or direct the Subordination Agent to consent and notify the relevant Loan Trustee of such consent) to any amendment, modification, waiver or supplement under any related Indenture, Participation Agreement, Lease, Equipment Note, the Note Purchase Agreement or certain other related documents, if an Indenture Event of Default under any Indenture has occurred and is continuing, or if such amendment, modification, waiver or supplement will not materially adversely affect the interests of such Certificateholders. (Basic Agreement, Section 10.01)

Pursuant to the Intercreditor Agreement, with respect to any Indenture at any given time, the Loan Trustee under such Indenture will be directed by the Subordination Agent (as directed by the respective Trustees or by the Controlling Party, as applicable) in taking, or refraining from taking, any action thereunder or under any security document or with respect to the Equipment Notes issued under such Indenture that are held by the Subordination Agent as the property of the relevant Trust, and the Subordination Agent will be directed by the respective Trustees or by the Controlling Party, as applicable, in taking, or refraining from taking, any action under the Owner Share Pledges and Call Agreements. Any Trustee acting as Controlling Party will direct the Subordination Agent as such Trustee is directed by Certificateholders evidencing fractional undivided interests aggregating not less than a majority in interest in the relevant Trust. (Intercreditor Agreement, Sections 2.06 and 8.01(b)) Notwithstanding the foregoing, without the consent of each Liquidity Provider and each affected Certificateholder holding Certificates representing a fractional undivided interest in the Equipment Notes under the applicable Indenture held by the Subordination Agent (or in the case of any Owner Pledge Agreement or Call Agreement, by each affected Certificateholder), among other things, no amendment, supplement, modification, consent or waiver of or relating to such Indenture, any related Equipment Note, Participation Agreement, Lease or other related document will: (i) reduce the principal amount of, Make-Whole Amount, if any, or interest on, any Equipment Note under such Indenture; (ii) change the date on which any principal amount of, Make-Whole Amount, if any, or interest on any Equipment Note under such Indenture, is due or payable; (iii) create any lien with respect to the Collateral subject to such Indenture or other security document prior to or *pari passu* with the lien thereon under such Indenture or other security document except such as are permitted thereby; or (iv) reduce the percentage of the outstanding principal amount of the Equipment Notes under such Indenture the consent of whose holders is required for any supplemental agreement, or the consent of whose holders is required for any waiver of compliance with certain provisions of such Indenture or of certain defaults thereunder or their consequences provided for in such Indenture. In addition, without the consent of each Certificateholder, no such amendment, modification, consent or waiver will, among other things, deprive any Certificateholder of the benefit of the lien of any Indenture on the related Collateral, except as provided in connection with the exercise of remedies under such Indenture. (Intercreditor Agreement, Section 8.01(b)) See “—*Indenture Events of Default and Certain Rights Upon an Indenture Event of Default*” for a description of the rights of the Certificateholders of each Trust to direct the respective Trustees.

Obligation to Purchase Equipment Notes

The Trustees will be obligated to purchase the Equipment Notes issued with respect to each Aircraft prior to the Delivery Period Termination Date, subject to the terms and conditions of a note purchase agreement (the “**Note Purchase Agreement**”) to be entered into by LATAM, the Owners, the Trustees, the Subordination Agent, the Escrow Agent, the Paying Agent and MaplesFS Limited and the forms of financing and lease agreements attached to the Note Purchase Agreement. On and subject to the terms and conditions of the Note Purchase Agreement and such forms of financing and lease agreements, the relevant parties are obligated to enter into a secured debt instrument relating to the financing and leasing of each Aircraft, including compliance with the Required Terms described below and the satisfaction of certain other conditions, including the delivery of specified legal opinions.

The description of such financing and lease agreements in this offering memorandum is based on the forms of such agreements attached to the Note Purchase Agreement. However, the terms of the financing and lease agreements actually entered into may differ from the forms of such agreements and, consequently, may differ from the description of such agreements contained in this offering memorandum. See “*Description of the Equipment Notes*”. Although such changes are permitted under the Note Purchase Agreement, LATAM must obtain written confirmation from each Rating Agency to the effect that the use of financing and lease agreements modified in any material respect from the forms attached to the Note Purchase Agreement will not result in a withdrawal, suspension or downgrading of the rating of each class of Certificates then rated by such Rating Agency and that remains outstanding. The terms of such financing and lease agreements must also comply with the Required Terms. In addition, LATAM, subject to certain exceptions, is obligated to certify to the Trustees that any substantive modifications do not materially and adversely affect the Certificateholders or any Liquidity Provider.

Under the Note Purchase Agreement, the Trustees will not be obligated to purchase the Equipment Notes to be issued with respect to any Aircraft not yet financed if a Triggering Event has occurred or certain specified conditions are not met. In addition, if a Delivery Period Event of Loss (or an event that would constitute such a Delivery Period Event of Loss but for the requirement that notice be given or time elapse or both) occurs with respect to an Aircraft before such Aircraft is financed pursuant to this offering, the Trustees will not be obligated to purchase the Equipment Notes to be issued with respect to such Aircraft. The Trustees will have no right or obligation to purchase the Equipment Notes to be issued with respect to any Aircraft after the Delivery Period Termination Date.

The “**Required Terms**”, as defined in the Note Purchase Agreement, mandate that:

1. The original principal amount and principal amortization schedule for each series of Equipment Notes issued with respect to each Aircraft shall be as set forth in the table for that Aircraft included in Appendix V (*provided* that if any Equipment Note is issued on or after any date scheduled for a principal payment in the applicable amortization table included in Appendix V, the original principal amount of such Equipment Note will be reduced by the aggregate principal amount scheduled for payment on or prior to such issuance date and the principal amortization schedule for such Equipment Note will commence on the first scheduled principal payment date in such schedule occurring after the issuance of such Equipment Note).
2. The interest rate applicable to each series of Equipment Notes may be subject to adjustment in accordance with the Registration Rights Agreement and at all times will be equal to the interest rate applicable to the Certificates issued by the corresponding Trust.
3. The payment dates for the Equipment Notes must be February 15, May 15, August 15 and November 15.
4. (a) The past due rate in the Indentures, (b) the Make-Whole Amount payable under the Indentures, (c) the provisions relating to the redemption of Equipment Notes in the Indentures and (d) the indemnification of the Loan Trustees, the Subordination Agent, the Liquidity Providers, the Trustees and the Escrow Agent with respect to certain claims, expenses and liabilities, in each case will be provided as set forth, as applicable, in the Note Purchase Agreement, in the form of Indenture attached as an exhibit to the Note Purchase Agreement (the “**Indenture Form**”), the form of Participation Agreement attached as an exhibit to the Note Purchase Agreement (the

“**Participation Agreement Form**”), or the form of Lease attached as an exhibit to the Note Purchase Agreement (the “**Lease Form**”).

5. The amounts payable under the all-risk aircraft hull insurance maintained with respect to each Aircraft must be not less than 115% of the unpaid principal amount of the related Equipment Notes, subject to certain rights of self-insurance.
6. In the case of the Indenture Form, modifications are prohibited in any material adverse respect to (i) the granting clause of the Indenture Form so as to deprive the holders of Equipment Notes under all of the Indentures of the security interests granted thereby or to eliminate the obligations intended to be secured thereby, (ii) certain provisions relating to the issuance, redemption, payments, and ranking of the Equipment Notes (including the obligation to pay the Make-Whole Amount in certain circumstances), (iii) certain provisions regarding Indenture Events of Default (including the relevant cross-defaults among Indentures) and remedies relating thereto, (iv) certain provisions relating to claims, actions, third-party beneficiaries and voting, (v) the definition of “Make-Whole Amount” and (vi) the provision that New York law will govern the Indentures; and
7. In the case of the Lease Form, modifications are prohibited to certain provisions regarding LATAM’s obligations (i) to pay basic rent payable in U.S. Dollars and amounts payable on early termination of the Leases, (ii) to preserve the interests of the relevant Loan Trustee with respect to subleasing and re-registration of the Aircraft in a jurisdiction other than Chile or Brazil, (iii) certain provisions relating to relating to the replacement or substitution of any engine with respect to an Aircraft and (iv) to maintain or cause to be maintained hull insurance covering the Aircraft, as well as modifications which would either alter the provision that New York law will govern the Leases or would deprive the relevant Loan Trustee of rights expressly granted to it under the Leases.
8. In the case of the Participation Agreement Form modifications in any material adverse respect are prohibited with respect to (i) certain conditions to the obligations of the Trustees to purchase the Equipment Notes issued with respect to an Aircraft involving good title to such Aircraft and obtaining a certificate of airworthiness with respect to such Aircraft, (ii) the provisions restricting transfers of Equipment Notes, (iii) certain provisions relating to UCC filings, representations and warranties, taxes, filings or third-party beneficiaries, (iv) certain provisions requiring the delivery of legal opinions and (v) the provision that New York law will govern the Participation Agreements.
9. In the case of each Sublease, such Sublease shall be expressly subject and subordinate to the terms of the related Lease and shall be expressly terminable by the sublessor or sublessee at any time upon not more than forty-five (45) days’ prior written notice to the other party (with a copy to the relevant Owner and Loan Trustee).

Notwithstanding the foregoing, the Indenture Form, the Participation Agreement Form or the Lease Form may be modified to the extent required for the successive redemption of the Series B Equipment Notes (or any Series C Equipment Notes if Class C Certificates are issued or any Additional Equipment Notes) and issuance of Refinancing Equipment Notes or the issuance of any Series C Equipment Notes or the issuance of pass through certificates by any pass through trust that acquires such Refinancing Equipment Notes, Series C Equipment Notes or Additional Equipment Notes, as applicable, or to provide for any credit support for any pass through certificates relating to any such Refinancing Equipment Notes or Additional Equipment Notes, as applicable, in each case as provided in the Note Purchase Agreement, In addition, the Indenture Form, the Participation Agreement Form or the Lease Form may be modified to the extent required to correct or supplement any such provision which may be defective or to cure any ambiguity or correct any mistake, *provided* that any such action shall not materially adversely affect the interests of the Trustees, the Subordination Agent, the Liquidity Providers, the relevant Loan Trustee, the Owners or the Certificateholders.

Termination of the Trusts

With respect to each Trust, the obligations of LATAM and the Trustee of such Trust will terminate upon the distribution to the Certificateholders of such Trust and to such Trustee of all amounts required to be distributed to them pursuant to the applicable Pass Through Trust Agreement and the disposition of all property held in such Trust. The applicable Trustee will mail to each Certificateholder of such Trust notice of the termination of such Trust not earlier than 60 days and not later than 15 days preceding such final distribution, notice of the termination of such Trust, the amount of the proposed final payment, the proposed date for the distribution of such final payment for such Trust and certain other information. The Final Distribution to any Certificateholder of such Trust will be made only upon surrender of such Certificateholder's Certificates at the office or agency of the applicable Trustee specified in such notice of termination. (Basic Agreement, Section 11.01)

In the event that all of the Certificateholders of such Trust do not surrender their Certificates issued by such Trust for cancellation within six months after the date specified in such written notice, the Trustee of such Trust will give a second written notice to the remaining Certificateholders of such Trust to surrender such Certificates for cancellation and receive the final distribution. No additional interest will accrue with respect to such Certificates after the Distribution Date specified in the first written notice. In the event that any money held by the Trustee of such Trust for the payment of distributions on the Certificates issued by such Trust remains unclaimed for two years (or such lesser time as such Trustee shall be satisfied, after sixty days' notice from the relevant Owner, is one month prior to the escheat period provided under applicable law) after the final distribution date with respect thereto, such Trustee will pay to each Loan Trustee the appropriate amount of money relating to such Loan Trustee for distribution as provided in the applicable Indenture, Participation Agreement or certain related documents and will give written notice thereof to the relevant Owner. (Basic Agreement, Section 11.01)

The Trustees

The Trustee of each Trust initially will be Wilmington Trust Company. Each Trustee's address is 1100 North Market Street, Wilmington, Delaware 19890-1605, Attention: Corporate Trust Administration.

With certain exceptions, the Trustees make no representations as to the validity or sufficiency of the Basic Agreement, the Trust Supplements, the Certificates, the Equipment Notes, the Indentures, the Intercreditor Agreement, the Participation Agreements, the Leases, any Liquidity Facility, the Note Purchase Agreement, the Deposit Agreements, the Escrow Agreements or other related documents. (Basic Agreement, Sections 7.04 and 7.15; Trust Supplements, Sections 7.03 and 7.04) The Trustee of any Trust will not be liable to the Certificateholders of such Trust for any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority in face amount of outstanding Certificates of such Trust. (Basic Agreement, Section 7.03(h)) Subject to certain provisions, no Trustee will be under any obligation to exercise any of its rights or powers under any Pass Through Trust Agreement at the request of any holders of Certificates issued thereunder unless there has been offered to such Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by such Trustee in exercising such rights or powers. (Basic Agreement, Section 7.03(e)) Each Pass Through Trust Agreement provides that the applicable Trustee (and any related agent or affiliate in their respective individual or any other capacity) may acquire and hold Certificates issued thereunder and, subject to certain conditions, may otherwise deal with LATAM and the Owners with the same rights it would have if it were not such Trustee, agent or affiliate. (Basic Agreement, Section 7.05)

Book-Entry; Delivery and Form

On the Issuance Date, the Class A Certificates and the Class B Certificates will be represented by one or more fully registered global certificates of the applicable class. Each global certificate will be deposited with the related Trustee as custodian for DTC and registered in the name of Cede & Co, as nominee of DTC. Except in the limited circumstances described below, owners of beneficial interests in global certificates will not be entitled to receive physical delivery of Definitive Certificates. Except under the limited circumstances described below under "*Physical Certificates*", the Certificates will not be issuable in bearer form.

Certificates sold in reliance on Rule 144A will initially be represented by permanent global certificates in fully registered form without interest coupons (each, a "**Restricted Global Certificate**") and will be deposited with the Trustee as a custodian for DTC and registered in the name of a nominee of Cede. Certificates sold in offshore

transactions in reliance on Regulation S under the Securities Act will initially be represented by temporary global certificates in fully registered form without interest coupons (each, a “**Temporary Regulation S Global Certificate**”) and will be deposited with the Trustee as custodian for DTC and registered in the name of Cede. Each Temporary Regulation S Global Certificate will be exchangeable for a single permanent global certificate (each, a “**Regulation S Global Certificate**”) after the expiration of the “distribution compliance period” (as defined in Regulation S) and the certification required by Regulation S. Prior to such time, a beneficial interest in the Temporary Regulation S Global Certificate may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Certificate only upon receipt by the Trustee of written certification from the transferor to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A. Beneficial interests in a Restricted Global Certificate may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate whether before, on or after such time, only upon receipt by the Trustee of a written certification to the effect that such transfer is being made in accordance with Regulation S.

Any beneficial interest in a Regulation S Global Certificate or a Restricted Global Certificate (each, a “**Global Certificate**”) that is transferred to a person who takes delivery in the form of an interest in a Restricted Global Certificate or a Regulation S Global Certificate, respectively, will, upon transfer, cease to be an interest in the type of Global Certificate previously held and become an interest in the other type of Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other type of Global Certificate for as long as it remains such an interest.

The Global Certificates (and any Certificates issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and in the Pass Through Trust Agreement and will bear the legend regarding such restrictions set forth under the heading “*Transfer Restrictions*” herein. Subject to such restrictions, QIBs or non-U.S. purchasers may elect to take physical delivery of their certificates (each, a “**Certificated Security**”) instead of holding their interests through the Global Certificates (and which are then ineligible to trade through DTC) (collectively referred to herein as the “**Non-Global Purchasers**”). Upon the transfer to a QIB of any Certificated Security initially issued to a Non-Global Purchaser, such Certificated Security will, unless the transferee requests otherwise or the Global Certificates have previously been exchanged in whole for Certificated Securities, be exchanged for an interest in the Global Certificates. For a description of the restrictions on transfer of Certificated Securities and any interest in the Global Certificates, see “*Transfer Restrictions*” and “*Plan of Distribution*”.

The Global Certificates

LATAM expects that, pursuant to procedures established by DTC, (i) upon the issuance of the Global Certificates, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Global Certificates to the respective accounts of persons who have accounts with such depositary and (ii) ownership of beneficial interests in the Global Certificates will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of such DTC Participants (with respect to interests of persons other than DTC Participants). Such accounts initially will be designated by or on behalf of the Initial Purchasers. Ownership of beneficial interests in the Global Certificates will be limited to DTC Participants or persons who hold interests through DTC Participants. The laws of some states require that certain purchasers of securities take physical delivery of such securities. Such limits and such laws may limit the market for beneficial interests in the Global Certificates.

So long as DTC, or its nominee, is the registered owner or holder of the Global Certificates, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Certificates represented by such Global Certificates for all purposes under the Pass Through Trust Agreements. No beneficial owner of an interest in the Global Certificates will be able to transfer that interest except in accordance with DTC’s procedures, in addition to those provided for under the Pass Through Trust Agreements. Unless and until definitive Certificates are issued under the limited circumstances described below under “—*Physical Certificates*”, all references to actions by Certificateholders shall refer to actions taken by DTC upon instructions from DTC Participants, and all references herein to distributions, notices, reports and statements to Certificateholders shall refer, as the case may be, to distributions, notices, reports and statements to DTC or Cede, as the registered holder of such Certificates, or to DTC Participants for distribution to Certificateholders in accordance with DTC procedures.

Payments of the principal of, premium, if any, and interest on the Global Certificates will be made to DTC or its nominee, as the case may be, as the registered owner thereof. None of LATAM, the Trustees or the Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

LATAM expects that DTC or its nominee, upon receipt of any payment of principal, premium, if any, or interest on the Global Certificates, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Certificates as shown on the records of DTC or its nominee. LATAM also expects that payments by participants to owners of beneficial interests in the Global Certificates held through such participants will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way through DTC's same-day funds system in accordance with DTC rules and will be settled in same-day funds. If a holder requires physical delivery of a certificated security for any reason, such holder must transfer its interest in a Global Certificate, in accordance with the normal procedures of DTC and with the procedures set forth in the applicable Pass Through Trust Agreement. DTC has advised LATAM that it will take any action permitted to be taken by a holder of Certificates (including the presentation of Certificates for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in the Global Certificates are credited and only in respect of such portion of the aggregate principal amount of Certificates as to which such participant or participants has or have given such direction.

DTC has advised LATAM as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants ("**DTC Participants**") and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("**indirect participants**").

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Certificates among participants of DTC, it is under no obligation to perform such procedures, and such procedures may be discontinued at any time. Neither LATAM nor any Trustee will have any responsibility or liability for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Physical Certificates

Physical Certificates will be issued in paper form to Certificateholders or their nominees, rather than to DTC or its nominee, only if:

- DTC advises the applicable Trustee in writing that DTC is no longer willing or able to discharge properly its responsibilities as depository with respect to such Certificates and a successor depository is not appointed by such Trustee within 90 days of such notice; or
- after the occurrence of an Indenture Event of Default under any Indenture pursuant to which Equipment Notes held by the Trust were issued, Certificateholders owning at least a majority in fractional undivided interests in the Trust advise the Trustee, the Owner and DTC through DTC Participants that the continuation of a book-entry system through DTC or a successor to DTC is no longer in the Certificateholders' best interest. Neither LATAM nor any Trustee will be liable if LATAM or such Trustee is unable to locate a qualified successor clearing system. (Trust Supplements, Section 4.03(b))

Upon the occurrence of any of the events described in the three subparagraphs above, the applicable Trustee will notify all Certificateholders through DTC Participants of the occurrence of such event and the availability of physical Certificates. Upon surrender by DTC of the global Certificates and receipt of instructions for re-registration, the Trustee will re-issue the Certificates as physical Certificates to the applicable Certificateholders.

In the case of the physical Certificates that are issued, the Trustee or the Paying Agent will make distributions with respect to such Certificates directly to holders in whose names the physical Certificates were registered at the close of business on the applicable record date. Except for the final payment to be made with respect to a Certificate, the applicable Trustee or Paying Agent will make distributions by check mailed to the addresses of the registered holders as they appear on the register maintained by such Trustee. The applicable Trustee or Paying Agent will make the final payment with respect to any such Certificate only upon presentation and surrender of the applicable Certificate at the office or agency specified in the notice of final distribution to Certificateholders.

Physical Certificates will be freely transferable and exchangeable at the office of the applicable Trustee upon compliance with the requirements set forth in the applicable Pass Through Trust Agreement. Neither the applicable Trustee nor any transfer or exchange agent will impose a service charge for any registration of transfer or exchange. However, the applicable Trustee or transfer or exchange agent will require payment of a sum sufficient to cover any tax or other governmental charge attributable to a transfer or exchange.

EXCHANGE OFFER; REGISTRATION RIGHTS

The following summary describes certain material terms of the Registration Rights Agreements. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Registration Rights Agreements. A copy of each Registration Rights Agreement is available upon request from the respective Trustee party thereto.

On the Issuance Date, LATAM will enter into a registration rights agreement (the “**Class A Registration Rights Agreement**”) with Citigroup Global Markets Inc., as representative of the initial purchasers of the Class A Certificates, and the Class A Trustee and a registration rights agreement (the “**Class B Registration Rights Agreement**”) and, together with the Class A Registration Rights Agreement, the “**Registration Rights Agreements**”) with Citigroup Global Markets Inc., as representative of the initial purchasers of the Class B Certificates, and the Class B Trustee.

Pursuant to the Registration Rights Agreements, LATAM will agree, for the benefit of and at no cost to the Certificateholders of each class of Certificates, to use its reasonable best efforts, to the extent not prohibited by any applicable law or applicable interpretation of the staff of the SEC and subject to the Exchange Conditions, to: (i) file with the SEC a registration statement (an “**Exchange Offer Registration Statement**”) with respect to the offer to exchange (an “**Exchange Offer**”) such class of Certificates for a new class of Certificates to be issued by the applicable Trust (such certificates, the “**Exchange Certificates**”) not later than the 365th day following the Issuance Date (or the next succeeding business day), which will have terms identical in all material respects to the Certificates exchanged therefor, to the applicable Certificateholders entitled to make such exchange (except that none of the Exchange Certificates will contain terms with respect to the interest rate increase as described herein), (ii) cause an Exchange Offer Registration Statement to be declared or otherwise become effective under the Securities Act with respect to such class of Exchange Certificates and (iii) cause each Trust to offer the applicable class of Exchange Certificates in exchange for surrender of the applicable class of Certificates. LATAM will commence, with respect to each class of Certificates, an Exchange Offer promptly after the related Exchange Offer Registration Statement has been declared or otherwise became effective under the Securities Act and use its reasonable best efforts to have such Exchange Offer consummated not later than the 455th day after the Issuance Date (or, if the last day of such 455-day period is not a business day, the first business day thereafter) (the “**Exchange Deadline**”). LATAM will keep such Exchange Offer open for not less than 20 business days after the date notice of such Exchange Offer is mailed to the applicable Certificateholders, and the Exchange Deadline will not be extended because of this requirement. For each Certificate validly tendered to the applicable Trustee pursuant to such Exchange Offer and not withdrawn by the holder thereof, such Certificateholder will receive an Exchange Certificate having a face amount equal to that of such tendered Certificate. Interest on each Exchange Certificate will accrue from the last Distribution Date on which interest was paid on the tendered Certificate in exchange therefor or, if no interest has been paid on such Certificate, from the Issuance Date.

Based on an interpretation of the Securities Act by the staff of the SEC set forth in several no-action letters to third parties and, subject to the immediately following sentence and the Exchange Conditions, LATAM believes that Exchange Certificates issued pursuant to an Exchange Offer may be offered for resale, resold and otherwise transferred by holders thereof without further compliance with the registration and prospectus delivery provisions of the Securities Act. However, any purchaser of Certificates who is an affiliate of LATAM or who intends to participate in an Exchange Offer for the purpose of distributing Exchange Certificates (i) will not be able to rely on the interpretation by the staff of the SEC set forth in the above referenced no-action letters, (ii) will not be able to tender such Certificates in an Exchange Offer and (iii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of such Exchange Certificates, unless such sale or transfer is made pursuant to an exemption from such requirements.

Each holder of Certificates who participates in an Exchange Offer will be required to make certain representations, including that (i) it is neither an affiliate of LATAM nor a broker-dealer tendering Certificates acquired directly from LATAM for its own account, (ii) any Exchange Certificates to be received by it are being acquired in the ordinary course of its business and (iii) it has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the Certificates or the Exchange Certificates. In addition, in connection with any resales of Exchange Certificates, any broker-dealer (a “**Participating Broker-Dealer**”) who acquired the Certificates for its own account as a result of market-making activities or other trading activities must deliver a prospectus meeting the requirements of the Securities Act. The SEC has taken the position that

Participating Broker-Dealers may fulfill their prospectus delivery requirements with respect to its Exchange Certificates (other than a resale of an unsold allotment from the original sale of the Certificates) with the prospectus contained in the Exchange Offer Registration Statement for such Exchange Certificates.

In the event that (X) LATAM determines, with respect to each class of Certificates, (1) that the applicable Exchange Offer is not available or may not be consummated by the Exchange Deadline because it would violate applicable law or the applicable interpretations of the staff of the SEC or (2) the issuance of the applicable Exchange Certificates would cause the applicable Trust to be required to become registered as an investment company under the Investment Company Act or (Y) LATAM determines, with respect to the Class B Certificates, that the applicable Exchange Offer with respect to a more senior class of Certificates is not available or if such Exchange Offer is not consummated for any reason (the conditions set forth in the foregoing clauses (X) and (Y), the “**Exchange Conditions**”), then LATAM (in the case of clause (X)) will, and (in the case of clause (Y)) will have the option to, in lieu of effecting the registration of the applicable Exchange Certificates pursuant to an Exchange Offer Registration Statement and at no cost to the applicable Certificateholders, (a) as promptly as practicable, file with the SEC a shelf registration statement covering resales of the applicable Certificates (a “**Shelf Registration Statement**”), (b) use its reasonable best efforts to cause such Shelf Registration Statement to be declared or otherwise become effective under the Securities Act by the Exchange Deadline and (c) use its reasonable best efforts to keep effective such Shelf Registration Statement for a period of one year after its effective date (or for such shorter period as shall end when all of the applicable Certificates covered by such Shelf Registration Statement have been sold pursuant thereto or may be freely sold pursuant to Rule 144 under the Securities Act). LATAM will, in the event of the filing of a Shelf Registration Statement, provide to each registered holder of the applicable Certificates copies of the prospectus which is a part of such Shelf Registration Statement, notify each such registered holder when such Shelf Registration Statement for such Certificates has become effective and take certain other actions as are required to permit unrestricted resales of such Certificates.

A Certificateholder who sells Certificates pursuant to a Shelf Registration Statement generally will be required to be named as a selling securityholder in the related prospectus and to deliver such prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the applicable Registration Rights Agreement, which are applicable to such a holder (including certain indemnification obligations). In addition, each such Certificateholder will be required to deliver information to be used in connection with such Shelf Registration Statement. If Certificates are sold through underwriters, brokers-dealers or agents, the selling securityholder will be responsible for underwriting discounts or commissions or agents’ commissions and transfer taxes, if any.

If, with respect to any class of Certificates, neither an Exchange Offer is consummated nor a Shelf Registration Statement is declared or otherwise becomes effective under the SEC rules for such class of Certificates on or prior to the Exchange Deadline, the interest rate on the Equipment Notes held by such Trust and the interest rate on such class of Certificates will be increased by 0.50% per annum effective as of the first day after the Exchange Deadline but only until, with respect to such class of Certificates, an Exchange Offer is consummated or a Shelf Registration Statement is declared or otherwise becomes effective under the SEC rules. LATAM may suspend use of a prospectus that is part of a Shelf Registration Statement under certain circumstances relating to, among other things, corporate developments, public filings with the SEC and similar events. If a Shelf Registration Statement for any class of Certificates ceases to be available for more than 45 days during any three-month period or 120 days within any twelve-month period, during the period that it is required to be available as specified by the applicable Registration Rights Agreement, the interest rate per annum borne by such Equipment Notes and such class of Certificates will be increased by 0.50% per annum from the 46th day or 121st day, as applicable, until such time as such Shelf Registration Statement again becomes available.

For the avoidance of doubt, the maximum possible increase in the interest rate per annum on each class of Certificates and the related Equipment Notes at any time shall be 0.50% per annum.

DESCRIPTION OF THE DEPOSIT AGREEMENTS

The following summary describes certain material terms of the Deposit Agreements, as well as certain related provisions of the Escrow Agreements and the Note Purchase Agreement. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Deposit Agreements and the related provisions of the Escrow Agreements and the Note Purchase Agreement. The provisions of the Deposit Agreements are substantially identical except as otherwise indicated.

General

Under the Escrow Agreements, the Escrow Agent with respect to each Trust will enter into a separate Deposit Agreement with the Depositary (each, a **“Deposit Agreement”**). (Escrow Agreements, Section 1.02(a)) Pursuant to the Deposit Agreements, the Depositary will establish separate accounts into which the proceeds of the offering attributable to Certificates of the applicable Trust will be deposited (each, a **“Deposit”** and, collectively, the **“Deposits”**) on behalf of the Escrow Agent for the applicable Trust. (Deposit Agreements, Section 2.1) For each Trust, there will be a separate Deposit for each Aircraft that is to be financed in this offering. Pursuant to the Deposit Agreements, except as described below under *“—Other Withdrawals and Return of Deposits,”* on each Regular Distribution Date, the Depositary under each Deposit Agreement will pay to the Paying Agent on behalf of the Escrow Agent, for distribution to the applicable Certificateholders, an amount equal to the interest accrued on the Deposits during the relevant interest period at a rate per annum equal to the Stated Interest Rate applicable to Certificates issued by the applicable Trust, including any additional margin of 0.50% per annum for any period to the extent required by the Registration Rights Agreement. (Deposit Agreements, Section 2.2) The Deposits and interest paid thereon will not be subject to the subordination provisions of the Intercreditor Agreement and will not be available to pay any other amount in respect of the Certificates.

Withdrawal of Deposits to Purchase Equipment Notes

Upon the financing of an Aircraft under the related Indenture prior to the Delivery Period Termination Date, the Trustee of each Trust will request the Escrow Agent relating to such Trust to withdraw from the Deposits relating to such Trust funds sufficient to enable the Trustee of such Trust to purchase the Equipment Notes of the series applicable to such Trust issued with respect to such Aircraft. (Note Purchase Agreement, Sections 1(b) and 1(d); Escrow Agreements, Section 1.02(c)) Any portion of any Deposit so withdrawn that is not used to purchase such Equipment Notes will be re-deposited by the Escrow Agent or each Trustee on behalf of the Escrow Agent into a new account with the Depositary (each such deposit, also a **“Deposit”**). (Deposit Agreements, Section 2.4; Escrow Agreements, Section 1.06) Except as described below under *“—Other Withdrawals and Return of Deposits,”* the Depositary will pay accrued but unpaid interest on all Deposits withdrawn to purchase Equipment Notes on the next Regular Distribution Date to the Paying Agent, on behalf of the applicable Escrow Agent, for distribution to the Certificateholders. (Deposit Agreements, Sections 2.2 and 4; Escrow Agreements, Section 2.03(a))

Other Withdrawals and Return of Deposits

The Trustees’ obligations to purchase Equipment Notes to be issued with respect to each Aircraft are subject to satisfaction of certain conditions at the time of the financing of such Aircraft under the related Indenture, as set forth in the Note Purchase Agreement and the related Participation Agreement. See *“Description of the Certificates—Obligation to Purchase Equipment Notes.”* Since such Aircraft are expected to be subjected to the financing of this offering from time to time prior to the Delivery Period Termination Date, no assurance can be given that all such conditions will be satisfied with respect to each such Aircraft prior to the Delivery Period Termination Date. Moreover, because the Aircraft will be newly manufactured, their delivery as scheduled is subject to delays in the manufacturing process and to the applicable manufacturer’s right to postpone deliveries under its agreement with LATAM. See *“Description of the Aircraft and the Appraisals—Timing of Financing the Aircraft”*. If any funds remain as Deposits with respect to any Trust as of the Delivery Period Termination Date, such remaining funds will be withdrawn by the Escrow Agent and distributed by the Paying Agent, with accrued and unpaid interest thereon, but without any premium, to the Certificateholders of such Trust on a date no earlier than 15 days after the Paying Agent has received notice of the event requiring such distribution. If the day scheduled for such withdrawal is within 10 days before or after a Regular Distribution Date, the Escrow Agent will request that such withdrawal be made on such Regular Distribution Date. Moreover, in certain circumstances, any funds held as Deposits will be returned by the Depositary to the Paying Agent automatically on the date falling 15 days after June 30, 2016 (*provided that, if a*

labor strike occurs at Boeing or Airbus prior to such date, such date will be extended with respect to the remaining Aircraft of the affected Manufacturer by the number of days that such strike continued in effect, but not more than 60 days and excluding any period of a strike at Boeing or Airbus after all Aircraft of such Manufacturer shall have been financed pursuant to this offering) (June 30, 2016 or such extended date, the “**Delivery Period Termination Date**”), and the Paying Agent will distribute such funds to the applicable Certificateholders as promptly as practicable thereafter. The obligation to purchase Equipment Notes to be issued with respect to any Aircraft not yet financed pursuant to this offering will terminate on the Delivery Period Termination Date. (Deposit Agreements, Sections 2.3(b)(i) and 4; Escrow Agreements, Sections 1.02(f) and 2.03(b); Note Purchase Agreement, Section 2)

If a Delivery Period Event of Loss (or an event that would constitute such a Delivery Period Event of Loss but for the requirement that notice be given or time elapse or both) occurs with respect to an Aircraft before such Aircraft is financed pursuant to this offering, LATAM will give notice of such event to each Trustee and such Trustee will submit a withdrawal certificate to the applicable Escrow Agent, and any funds in any Deposit with respect to such Aircraft will be withdrawn by such Escrow Agent and distributed by the related Paying Agent, with accrued and unpaid interest thereon, but without any premium, to the Certificateholders of the related Trust on a date not earlier than 15 days after such Paying Agent has received notice of the event requiring such distribution. (Note Purchase Agreement, Section 1(k); Deposit Agreements, Section 2.3(b)(iii); Escrow Agreements, Sections 2.03(b) and 2.07) Once LATAM delivers a notice described in the preceding sentence, the Trustees will have no obligation to purchase Equipment Notes with respect to such Aircraft. (Note Purchase Agreement, Section 2(c))

“**Delivery Period Event of Loss**” means, with respect to an Aircraft prior to being financed pursuant to this offering, one of several events that would constitute an Event of Loss of an Aircraft if such Aircraft were financed under the Indentures.

If a Triggering Event occurs prior to the Delivery Period Termination Date, any funds remaining in Deposits will be withdrawn by the Escrow Agent for the applicable Trust and distributed by the Paying Agent for such Trust, with accrued and unpaid interest thereon, but without any premium, to the Certificateholders of such Trust on a date no earlier than 15 days after the Paying Agent has received notice of such Triggering Event, but, if the day scheduled for such withdrawal is within 10 days before or after a Regular Distribution Date, such Escrow Agent will request such withdrawal be made on such Regular Distribution Date. (Escrow Agreements, Section 1.02(f)) The obligation to purchase the Equipment Notes to be issued with respect to any Aircraft not yet financed pursuant to this offering will terminate on the date such Triggering Event occurs. (Deposit Agreements, Section 2.3(b)(i); Escrow Agreements, Sections 2.03(b) and 2.06; Note Purchase Agreement, Section 2)

Replacement of Depositary

If the Depositary’s short-term senior unsecured debt rating by Moody’s or long-term issuer credit rating by S&P falls below the Depositary Threshold Rating, then LATAM must, within 35 days of the occurrence of such event, replace the Depositary with a new depositary bank meeting the requirements set forth below (the “**Replacement Depositary**”). (Note Purchase Agreement, Section 5(a))

“**Depositary Threshold Rating**” means (i) in the case of S&P, a long-term issuer credit rating of A- and (ii) in the case of Moody’s, a short-term senior unsecured debt rating of P-1.

Any Replacement Depositary may either be (a) one that meets the Depositary Threshold Rating or (b) one that does not meet the Depositary Threshold Rating, so long as, in the case of either of the immediately preceding clauses (a) and (b), LATAM shall have received a written confirmation from each Rating Agency to the effect that the replacement of the Depositary with the Replacement Depositary will not result in a withdrawal, suspension or reduction of the ratings for each class of Certificates rated by such Rating Agency below the then current rating for such Certificates (before the downgrading of such rating as a result of the downgrading of the Depositary below the applicable Depositary Threshold Rating). (Note Purchase Agreement, Section 5(c)(i))

At any time during the period prior to the Delivery Period Termination Date (including after the occurrence of a downgrade event described above), LATAM may replace the Depositary with a Replacement Depositary. (Note Purchase Agreement, Section 5(a)) There can be no assurance that at the time of a downgrade event described above, there will be an institution willing to replace the downgraded Depositary or that each Rating Agency will provide the ratings confirmation described in the immediately preceding paragraph.

Upon satisfaction of the conditions for replacement of the Depositary with a Replacement Depositary set forth in the Note Purchase Agreement, the Escrow Agent for each Trust will request, upon at least 5 Business Days' notice, the following withdrawals:

- with respect to all Deposits of such Trust then held by the Depositary being replaced, withdrawal of (1) the entire amount of such Deposits together with (2) all accrued and unpaid interest on such Deposits to but excluding the date of such withdrawal, which funds will be paid by the Depositary being replaced over to such Replacement Depositary; and
- with respect to all Deposits of such Trust, if any, previously withdrawn in connection with the purchase of the related Equipment Notes, as described in “—*Withdrawal of Deposits to Purchase Equipment Notes*,” withdrawal of all accrued and unpaid interest on such Deposits to but excluding the date of the applicable withdrawal in connection with the purchase of such Equipment Notes, which funds will be paid by the Depositary being replaced to the Paying Agent Account of such Trust and, upon the confirmation by the Paying Agent of receipt in such Paying Agent Account of such amounts, the Paying Agent will distribute such amounts to the Certificateholders of such Trust on the immediately succeeding Regular Distribution Date and, until such Regular Distribution Date, the amounts will be held in such Paying Agent Account. (Note Purchase Agreement, Section 5(d); Escrow Agreements, Sections 1.02(d) and 2.03(c))

Limitation on Damages

The Deposit Agreements provide that in no event shall the Depositary be responsible or liable for special, indirect, punitive, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit, whether or not foreseeable) suffered by the Escrow Agent of each Trust or any of the Receiptholders in connection with the Deposit Agreements or the transactions contemplated or any relationships established by the Deposit Agreements irrespective of whether the Depositary has been advised of the likelihood of such loss or damage and regardless of the form of action. (Deposit Agreements, Section 17)

Depositary

Natixis, acting through its New York Branch, will act as depositary (the “**Depositary**”). Natixis is a French public limited corporation (*société anonyme*) with a board of directors. Natixis is a credit institution licensed as a bank in France. The New York Branch of Natixis is licensed by the Superintendent of Financial Services of the State of New York to conduct a banking business as a branch of a foreign bank.

Natixis currently has a long-term issuer credit rating of “A” with a negative outlook from S&P and a short-term unsecured rating of “P-1” from Moody’s.

Natixis is the corporate, investment and financial services arm of Groupe BPCE, the second largest banking group in France. Natixis had €590 billion of consolidated assets and €18.9 billion equity capital group share as of December 31, 2014. Excluding exceptional items to reported data, Natixis had net revenues of €1,883 million for the quarter ended December 31, 2014.

Natixis is listed on the Paris stock exchange. Its primary shareholder is Groupe BPCE, which holds 71.47% of its share capital (excluding treasury shares). The remainder is publicly traded. Natixis’ registered office is at 30, avenue Pierre Mendès France, 75013 Paris, France.

Natixis will provide without charge a copy of its most recent publicly available annual report. Written requests should be directed to Corporate Secretary, NATIXIS, 1251 Avenue of the Americas, New York, New York 10020; telephone (212) 872-5000.

The Depositary meets the Depositary Threshold Rating.

DESCRIPTION OF THE ESCROW AGREEMENTS

The following summary describes certain material terms of the escrow and paying agent agreements (the “**Escrow Agreements**”), as well as certain related provisions of the Deposit Agreements and the Note Purchase Agreement. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Escrow Agreements and the related provisions of the Deposit Agreements and the Note Purchase Agreement. The provisions of the Escrow Agreements are substantially identical except as otherwise indicated.

General

Wilmington Trust, National Association, as escrow agent in respect of each Trust (the “**Escrow Agent**”), Wilmington Trust Company, as paying agent on behalf of each Escrow Agent (the “**Paying Agent**”), each Trustee and Citigroup Global Markets Inc. as representative of the Initial Purchasers will enter into a separate Escrow Agreement for the benefit of the Certificateholders of each Trust as holders of the Escrow Receipts affixed thereto (in such capacity, a “**Receiptholder**”). The cash proceeds of the offering of the Certificates of each Trust will be deposited on behalf of the Escrow Agent (for the benefit of the Receiptholders) with the Depositary as Deposits relating to such Trust. (Escrow Agreements, Section 1.03; Deposit Agreements, Section 2.1) The Escrow Agent will permit the Trustee of the related Trust to cause funds to be withdrawn from such Deposits to allow such Trustee to purchase the related Equipment Notes pursuant to the Note Purchase Agreement and the related Participation Agreement or in connection with special distributions under certain circumstances as described under “*Description of the Deposit Agreements—Other Withdrawals and Return of Deposits.*” (Escrow Agreements, Section 1.02(c)—(f)) In addition, pursuant to the terms of the Deposit Agreements, the Depositary agrees to pay accrued interest on the Deposits in accordance with the Deposit Agreements to the Paying Agent for distribution to the Receiptholders. (Deposit Agreements, Section 4)

Each Escrow Agreement requires that the Paying Agent establish and maintain, for the benefit of the Receiptholders of each Trust, the Paying Agent Account for such Trust, which will be non-interest bearing, and the Paying Agent is under no obligation to invest any amounts held in such Paying Agent Account. (Escrow Agreements, Section 2.02) Pursuant to the Deposit Agreements, the Depositary agrees to pay funds released from the related Deposits and accrued interest on the related Deposits directly into such Paying Agent Account, except for amounts withdrawn to purchase any related Equipment Notes as described under “*Description of the Deposit Agreements—Withdrawal of Deposits to Purchase Equipment Notes*” and amounts paid to a Replacement Depositary as described under “*Description of the Deposit Agreements—Replacement of Depositary.*” (Deposit Agreements, Section 4) The Paying Agent will distribute amounts deposited into the Paying Agent Account for the related Trust to the Certificateholders of such Trust as further described herein. See “*Description of the Certificates—Payments and Distributions*” and “*Description of the Deposit Agreements.*”

Upon receipt by the Depositary of cash proceeds from this offering, the Escrow Agent will issue one or more escrow receipts (“**Escrow Receipts**”) which will be affixed by the related Trustee to each Certificate. Each Escrow Receipt evidences the related Receiptholder’s interest in amounts from time to time deposited into the Paying Agent Account and is limited in recourse to amounts deposited into such account. An Escrow Receipt may not be assigned or transferred except in connection with the assignment or transfer of the Certificate to which it is affixed. Each Escrow Receipt will be registered by the Escrow Agent in the same name and manner as the Certificate to which it is affixed. (Escrow Agreements, Sections 1.03 and 1.04) Because the Escrow Receipts will be affixed to the Certificates, distributions to the Receiptholders on the Escrow Receipts are sometimes referred to in this offering memorandum, for convenience, as distributions to the Certificateholders.

Each Escrow Agreement provides that each Receiptholder will have the right (individually and without the need for any other action of any person, including the Escrow Agent or any other Receiptholder), upon any default in the payment of interest on the Deposits when due by the Depositary in accordance with the applicable Deposit Agreement, or upon any default in the payment of any final withdrawal, replacement withdrawal or event of loss withdrawal when due by the Depositary in accordance with the terms of the applicable Deposit Agreement and Escrow Agreement, to proceed directly against the Depositary by making a demand to the Depositary for the portion of such payment that would have been distributed to such Receiptholder pursuant to such Escrow Agreement or by bringing suit to enforce payment of such portion. The Escrow Agent will notify Receiptholders in the event of a default in any such payment and will promptly forward to Receiptholders upon receipt copies of all written

communications relating to any payments due to the Receiptholders in respect of the Deposits. (Escrow Agreements, Sections 9 and 16)

Certain Modifications of the Escrow Agreements and Note Purchase Agreement

The Note Purchase Agreement contains provisions requiring the Trustees, the Escrow Agent and the Paying Agent, at LATAM's request, to enter into amendments to, among other agreements, the Escrow Agreements and the Note Purchase Agreement as may be necessary or desirable:

- if any Series C Equipment Notes or Additional Equipment Notes are to be issued or Series B Equipment Notes or any Series C Equipment Notes or Additional Equipment Notes are to be refinanced or have matured and are paid in full and new equipment notes with the same series designation as that of the redeemed or matured and fully paid Equipment Notes are to be issued, to give effect to such issuance of Series C Equipment Notes or Additional Equipment Notes or refinancing or reissuance of Series B Equipment Notes or any Series C Equipment Notes or Additional Equipment Notes and the issuance of pass through certificates by any pass through trust that acquires any such new equipment notes or Series C Equipment Notes or Additional Equipment Notes, as applicable, and to make related changes (including to provide for any prefunding mechanism) and to provide for credit support (including a liquidity facility) for any such pass through certificates; and
- if the Depositary is to be replaced, to give effect to the replacement of the Depositary with the Replacement Depositary and the replacement of the Deposit Agreements with replacement deposit agreements. (Note Purchase Agreement, Sections 4(b)(iv) and 5(e))

In each case described immediately above, no requests (other than LATAM's request) or consents (including no consent of any Certificateholder) will be required for such amendments.

Each Escrow Agreement contains provisions requiring the Escrow Agent and the Paying Agent, upon request of the related Trustee and without any consent of the Certificateholders, to enter into an amendment to the Escrow Agreements or the Note Purchase Agreement, among other things, for the following purposes:

- to correct or supplement any provision in the Escrow Agreements or the Note Purchase Agreement which may be defective or inconsistent with any other provision in the Escrow Agreements or the Note Purchase Agreement or to cure any ambiguity or correct any mistake;
- to modify any other provision with respect to matters or questions arising under the Escrow Agreements or the Note Purchase Agreement; *provided* that any such action will not materially adversely affect the Certificateholders;
- to comply with any requirement of the SEC, applicable law, rules or regulations of any exchange or quotation system on which the Certificates are listed or any regulatory body;
- to evidence and provide for the acceptance of appointment under the Escrow Agreements or the Note Purchase Agreement of a successor Escrow Agent, successor Paying Agent or successor Trustee; or
- for any purposes described in the first paragraph under "*Description of the Certificates—Modification of the Pass Through Trust Agreements and Certain Other Agreements.*" (Escrow Agreements, Section 8)

The Escrow Agent

Wilmington Trust, National Association will be the Escrow Agent under each Escrow Agreement. The Escrow Agent's address is Wilmington Trust, National Association, 1100 North Market Street, Wilmington, Delaware 19890-1605, Attention: Corporate Capital Market Services.

The Paying Agent

Wilmington Trust Company will be the Paying Agent under each Escrow Agreement. The Paying Agent's address is Wilmington Trust Company, 1100 North Market Street, Wilmington, Delaware 19890-1605, Attention: Corporate Capital Market Services

DESCRIPTION OF THE LIQUIDITY FACILITIES

The following summary describes certain material terms of the Liquidity Facilities and certain provisions of the Intercreditor Agreement relating to the Liquidity Facilities. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Liquidity Facilities and the Intercreditor Agreement. The provisions of the Liquidity Facilities are substantially identical except as otherwise indicated.

General

The liquidity provider for each of the Class A Trust and Class B Trust (each, a “**Liquidity Provider**”) will enter into a separate revolving credit agreement (each, a “**Liquidity Facility**”) with the Subordination Agent with respect to each of the Class A Trust and Class B Trust. Under each Liquidity Facility, the related Liquidity Provider will be required, if necessary, to make one or more advances (“**Interest Drawings**”) to the Subordination Agent in an aggregate amount sufficient to pay interest on the Pool Balance of the related class of Certificates on up to seven successive quarterly Regular Distribution Dates (without regard to any expected future payments of principal on such Certificates) at the Stated Interest Rate for such Certificates (other than any amount of interest that was due and payable on such class of Certificates on such Regular Distribution Date but that remains unpaid due to the Depository’s failure to pay any amount of interest accrued on that date); *provided* that, with respect to each class of Certificates, at any time prior to the date after which there can be no increase in the interest rate on such class of Certificates as described in “*Exchange Offer; Registration Rights*” (the “**Step-Up Termination Date**”), the Required Amount with respect to such class of Certificates will be calculated assuming the application of the additional 0.50% margin described in the definition of “Stated Interest Rate” for such class of Certificates (whether or not such additional margin will otherwise apply). If interest payment defaults occur which exceed the amount covered by and available under the Liquidity Facility for the Class A or Class B Trust, the Certificateholders of such Trust will bear their allocable share of the deficiencies to the extent that there are no other sources of funds. The initial Liquidity Provider with respect to each of the Class A Trust and Class B Trust may be replaced by one or more other entities with respect to any of such Trusts under certain circumstances. Therefore, the Liquidity Provider for each Trust may differ. Additional Certificates, including the Class C Certificates, if issued, will not have the benefit of a liquidity facility.

Drawings

The aggregate amount available under the Liquidity Facility for each applicable Trust at May 15, 2016 (the first Regular Distribution Date that occurs after all Aircraft are expected to have been financed pursuant to this offering), assuming that the Step-Up Termination Date has not occurred with respect to any Trust, that all Aircraft have been financed and that all interest and principal due on or prior to such Regular Distribution Date is paid, will be:

Trust	Available Amount
Class A	\$61,050,557
Class B.....	\$13,451,855

Except as otherwise provided below, the Liquidity Facility for each Trust will enable the Subordination Agent to make Interest Drawings thereunder on any Regular Distribution Date in order to make interest distributions then scheduled for the Certificates of such Trust at the Stated Interest Rate for such Trust to the extent that the amount, if any, available to the Subordination Agent on such Regular Distribution Date is not sufficient to pay such interest. The maximum amount available to be drawn under the Liquidity Facility with respect to any Trust on any Regular Distribution Date to fund any shortfall of interest on Certificates of such Trust will not exceed the then Maximum Available Commitment under such Liquidity Facility. The “**Maximum Available Commitment**” at any time under each Liquidity Facility is an amount equal to the then Maximum Commitment of such Liquidity Facility less the aggregate amount of each Interest Drawing outstanding under such Liquidity Facility at such time; *provided* that, following a Downgrade Drawing (subject to the reinstatement of the obligations of any applicable Liquidity Provider if any such Liquidity Provider has at least the applicable minimum Long-Term Rating specified for each Rating Agency in the definition of “Liquidity Threshold Rating” at any time after the occurrence of a Downgrade Event and so notifies the Subordination Agent), a Special Termination Drawing, a Final Drawing or a Non-

Extension Drawing under Liquidity Facility, the Maximum Available Commitment under such Liquidity Facility shall be zero.

“Maximum Commitment” means for the Liquidity Facility for the Class A Trust and the Class B Trust (a) initially U.S.\$69,518,769 and U.S.\$15,365,875, respectively, as the same may be reduced from time to time as described below and (b) after the Step-Up Termination Date U.S.\$62,123,156 and U.S.\$13,829,288, respectively, as the same may be reduced from time to time as described below; provided, however, that the foregoing clause (b) will not apply during any period in which interest rates on the Certificates and the Equipment Notes held by such Trusts have been increased as described in *“Exchange Offer; Registration Rights.”*

“Required Amount” means, with respect to each Liquidity Facility or the Cash Collateral Account for any class of Certificates, for any day, the sum of the aggregate amount of interest, calculated at the rate per annum equal to the Stated Interest Rate for the related class of Certificates on the basis of a 360-day year comprised of twelve 30-day months, that would be distributable on such class of Certificates on each of the seven successive Regular Distribution Dates immediately following such day or, if such day is a Regular Distribution Date, on such day and the six succeeding Regular Distribution Dates, in each case, calculated on the basis of the Pool Balance of such class of Certificates on such day and without regard to expected future distributions of principal on such class of Certificates; *provided* that at any time prior to the Step-Up Termination Date, the Required Amount shall be calculated assuming the application of the additional margin of 0.50% specified in the definition of Stated Interest Rate with respect to such class of Certificates (whether or not such additional margin shall otherwise apply).

The Liquidity Facility for any applicable class of Certificates does not provide for drawings thereunder to pay for principal of, or Make-Whole Amount on, the Certificates of such class or any interest with respect to the Certificates of such class in excess of the Stated Interest Rate for such Certificates or for more than seven quarterly installments of interest or to pay principal of, or interest on, or Make-Whole Amount with respect to, the Certificates of any other class. (Liquidity Facilities, Section 2.02; Intercreditor Agreement, Section 3.05) In addition, the Liquidity Facility with respect to each Trust does not provide for drawings thereunder to pay any amounts payable with respect to the Deposits relating to such Trust.

Each payment by a Liquidity Provider for a Trust will reduce by the same amount the Maximum Available Commitment under the related Liquidity Facility, subject to reinstatement as hereinafter described. With respect to any Interest Drawing, upon reimbursement of the applicable Liquidity Provider in full or in part for the amount of such Interest Drawing plus accrued interest thereon, the Maximum Available Commitment under the applicable Liquidity Facility will be reinstated by the amount reimbursed but not to exceed the then Required Amount of the applicable Liquidity Facility; provided, however, that the Maximum Available Commitment of such Liquidity Facility will not be so reinstated at any time if (i) a Liquidity Event of Default has occurred and is continuing and less than 65% of the then aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes or (ii) a Final Drawing, Downgrade Drawing, Special Termination Drawing or Non-Extension Drawing shall have occurred with respect to such Liquidity Facility. With respect to any other drawings under such Liquidity Facility, amounts available to be drawn thereunder are not subject to reinstatement. (Liquidity Facilities, Section 2.02(a); Intercreditor Agreement, Section 3.05(g)) On each date on which the Pool Balance for a Trust shall have been reduced and on the Step-Up Termination Date, the Maximum Commitment of the Liquidity Facility for such Trust will be automatically reduced to an amount equal to the then Required Amount. (Liquidity Facilities, Section 2.04; Intercreditor Agreement, Section 3.05(j))

“Performing Equipment Note” means an Equipment Note issued pursuant to an Indenture with respect to which no payment default has occurred and is continuing (without giving effect to any acceleration); *provided*, that in the event of a reorganization proceeding of LATAM under the Insolvency Law, (i) any payment default occurring before the initiation of such proceeding shall not be taken into consideration during the 60-Day Period, (ii) any payment default occurring after the initiation of such proceeding shall not be taken into consideration if such payment default is cured before the later of 30 days after the date of such default or the expiration of the 60-Day Period and (iii) any payment default occurring after the 60-Day Period will not be taken into consideration if such payment default is cured before the end of the grace period, if any, set forth in the related Indenture. (Intercreditor Agreement, Section 1.01)

Replacement of Liquidity Facilities

If at any time a Liquidity Provider is downgraded, or any applicable rating of a Liquidity Provider is suspended or withdrawn, by any Rating Agency such that after such downgrading, suspension or withdrawal such Liquidity Provider does not have the minimum Long-Term Rating specified for such Rating Agency in the definition of “Liquidity Threshold Rating” as the applicable Liquidity Threshold Rating for such Rating Agency (any such downgrading, suspension or withdrawal, a “**Downgrade Event**”), then such Liquidity Facility may be replaced with a Replacement Facility. If such Liquidity Facility is not so replaced with a Replacement Facility within 35 days of the occurrence of such Downgrade Event (or, if earlier, the expiration date of such Liquidity Facility), the Subordination Agent will draw the then Maximum Available Commitment under such Liquidity Facility (the “**Downgrade Drawing**”), unless no later than 35 days after the occurrence of such Downgrade Event (or, if earlier, the expiration date of such Liquidity Facility), the Rating Agency (whose downgrading, suspension or withdrawal of such Liquidity Provider resulted in the occurrence of such Downgrade Event) provides a written confirmation to the effect that such downgrading, suspension or withdrawal will not result in a downgrading, withdrawal or suspension of the ratings by such Rating Agency of the related class of Certificates. The Subordination Agent will deposit the proceeds of any Downgrade Drawing into a cash collateral account (the “**Cash Collateral Account**”) for the applicable class of Certificates and will use these proceeds for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under such Liquidity Facility would be used. If at any time after the occurrence of a Downgrade Event with respect to a Liquidity Provider, such Liquidity Provider has at least the applicable minimum Long-Term Rating specified for each Rating Agency in the definition of “Liquidity Threshold Rating” and so notifies the Subordination Agent, amounts on deposit in the Cash Collateral Account that have not been applied to the payment of interest will be reimbursed to such Liquidity Provider and any applied amount of any related Downgrade Drawing shall be converted to an Interest Drawing and the obligations of such Liquidity Provider under the related Liquidity Facility shall be reinstated to the extent of such amounts which have been reimbursed to such Liquidity Provider. For the avoidance of doubt, the foregoing requirements shall apply to each occurrence of a Downgrade Event with respect to a Liquidity Provider, regardless of whether or not one or more Downgrade Events have occurred prior thereto and whether or not any confirmation by a Rating Agency specified in the foregoing requirements has been obtained with respect to any prior occurrence of a Downgrade Event. If a qualified Replacement Facility is subsequently provided, the balance of the Cash Collateral Account will be repaid to the replaced Liquidity Provider until all Liquidity Obligations owed to such replaced Liquidity Provider shall have been paid in full, and any remaining amount shall be dependent on the Collections Account (Liquidity Facilities, Sections 2.02(b) and 2.06(d); Intercreditor Agreement, Sections 3.05(c) and (f))

“**Liquidity Threshold Rating**” means, with respect to the Liquidity Provider for the Class A Trust, a Long-Term Rating of BBB as determined by S&P and a Long-Term Rating of Baa2 as determined by Moody’s and, with respect to the Liquidity Provider for the Class B Trust, a Long-Term Rating of BBB- as determined by S&P and a Long-Term Rating of Baa2 as determined by Moody’s. (Intercreditor Agreement, Section 1.01)

“**Long-Term Rating**” means, for any entity: (a) in the case of Moody’s, the long-term senior unsecured debt rating of such entity and (b) in the case of S&P, the long-term issuer credit rating of such entity.

A “**Replacement Facility**” for any Liquidity Facility will mean an irrevocable revolving credit agreement (or agreements) in substantially the form of the replaced Liquidity Facility, including reinstatement provisions, or in such other form (which may include a letter of credit, surety bond, financial insurance policy or guaranty) as will permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Certificates with respect to which such Liquidity Facility was issued (before downgrading of such ratings, if any, as a result of the downgrading of the related Liquidity Provider), in a face amount (or in an aggregate face amount) equal to the amount sufficient to pay interest on the Pool Balance of the Certificates of the applicable Trust (at the Stated Interest Rate for such Certificates, and without regard to expected future principal distributions) on the seven successive quarterly Regular Distribution Dates following the date of replacement of such Liquidity Facility (or, if such date of replacement is a Regular Distribution Date, on such date of replacement and the two succeeding Regular Distribution Dates) and issued by an entity (or entities) having the minimum Long-Term Rating from each Rating Agency designated in the definition of “Liquidity Threshold Rating” as the applicable Liquidity Threshold Rating for such Rating Agency. (Intercreditor Agreement, Section 1.01) The provider of any Replacement Facility will have the same rights (including, without limitation, priority distribution rights and rights as “**Controlling Party**”) under the Intercreditor Agreement as the replaced Liquidity Provider. (Intercreditor Agreement, Section 3.05(e))

The Liquidity Facility for each of the Class A Trust and Class B Trust provides that the applicable Liquidity Provider's obligations thereunder will expire on the earliest of:

1. the earlier of (a) the anniversary of the Issuance Date immediately following the date on which the applicable Liquidity Provider has provided a Non-Extension Notice and (b) the 15th day after the Final Legal Distribution Date of the applicable Certificates;
2. the date on which the Subordination Agent delivers to such Liquidity Provider a certification that all of the Certificates of such Trust have been paid in full or provision has been made for such payment;
3. the date on which the Subordination Agent delivers to such Liquidity Provider a certification that a Replacement Facility has been substituted for such Liquidity Facility;
4. the fifth Business Day following receipt by the Subordination Agent of a Termination Notice from such Liquidity Provider (see "*Liquidity Events of Default*"); and
5. the date on which no amount is or may (including by reason of reinstatement) become available for drawing under such Liquidity Facility. (Liquidity Facilities, Section 1.01)

Each Liquidity Facility provides that, in the event that before the 25th day prior to any anniversary of the Issuance Date that is prior to the 15th day after the Final Legal Distribution Date of the applicable Certificates, the related Liquidity Provider shall have notified the Subordination Agent that such Liquidity Facility will not be extended beyond the immediately following anniversary date of the Issuance Date (the "**Non-Extension Notice**") and such Liquidity Facility is not replaced by such 25th day, the Subordination Agent shall request a drawing in full up to the then Maximum Available Commitment under such Liquidity Facility (the "**Non-Extension Drawing**"). (Liquidity Facilities, Sections 2.02(b)(i) and 2.10) The Subordination Agent will deposit the proceeds of the Non-Extension Drawing into the Cash Collateral Account for the related Certificates and will use these proceeds for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under such Liquidity Facility would be used.

Subject to certain limitations, LATAM may, at its option, arrange for a Replacement Facility at any time to replace the Liquidity Facility for any Trust (including, without limitation, any Replacement Facility described in the following sentence); *provided* that, if the initial Liquidity Provider is replaced, it shall be replaced with respect to all Liquidity Facilities under which it is the Liquidity Provider. (Intercreditor Agreement, Section 3.05(e)(i)) In addition, if a Liquidity Provider shall determine not to extend a Liquidity Facility, then such Liquidity Provider may, at its option, arrange for a Replacement Facility to replace such Liquidity Facility (i) during the period no earlier than 40 days and no later than 25 days prior to the then scheduled expiration date of such Liquidity Facility and (ii) at any time after a Non-Extension Drawing has been made under such Liquidity Facility. (Intercreditor Agreement, Section 3.05(e)(ii)) A Liquidity Provider may also arrange for a Replacement Facility to replace the related Liquidity Facility at any time after a Downgrade Drawing under such Liquidity Facility as long as the Downgrade Drawing has not been reimbursed in full to such Liquidity Provider. (Intercreditor Agreement, Section 3.05(c)(iii)) If any Replacement Facility is provided at any time after a Downgrade Drawing, a Non-Extension Drawing or a Special Termination Drawing under any Liquidity Facility, the funds with respect to such Liquidity Facility on deposit in the Cash Collateral Account for such Trust will be returned to the Liquidity Provider being replaced. (Intercreditor Agreement, Section 3.05(e))

Upon receipt by the Subordination Agent of a Termination Notice with respect to any Liquidity Facility from the relevant Liquidity Provider as described below under "*Liquidity Events of Default*," the Subordination Agent shall request a final drawing (a "**Final Drawing**") or a special termination drawing (the "**Special Termination Drawing**"), as applicable, under such Liquidity Facility in an amount equal to the then Maximum Available Commitment thereunder. The Subordination Agent will deposit the proceeds of the Final Drawing or the Special Termination Drawing into the Cash Collateral Account for the related Certificates and will use these proceeds for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under such Liquidity Facility would be used. (Liquidity Facilities, Sections 2.02(c) and 2.02(d); Intercreditor Agreement, Sections 3.05(f), 3.05(i) and 3.05(k))

Drawings under any Liquidity Facility will be made by delivery by the Subordination Agent of a certificate in the form required by such Liquidity Facility. Upon receipt of such a certificate, the relevant Liquidity Provider is obligated to make payment of the drawing requested thereby in immediately available funds. Upon payment by the relevant Liquidity Provider of the amount specified in any drawing under any Liquidity Facility, such Liquidity Provider will be fully discharged of its obligations under such Liquidity Facility with respect to such drawing and will not thereafter be obligated to make any further payments under such Liquidity Facility in respect of such drawing to the Subordination Agent or any other person. (Liquidity Facilities, Sections 2.02(a) and 2.02(f)).

Reimbursement of Drawings

The Subordination Agent must reimburse amounts drawn under any Liquidity Facility by reason of an Interest Drawing, Special Termination Drawing, Final Drawing, Downgrade Drawing or Non-Extension Drawing and pay interest thereon, but only to the extent that the Subordination Agent has funds available therefor. (Liquidity Facilities, Sections 2.05 and 2.09) See *“Description of the Intercreditor Agreement—Priority of Distributions.”*

Interest Drawings and Final Drawings

Amounts drawn by reason of an Interest Drawing or Final Drawing (each, a **“Drawing”**) will be immediately due and payable, together with interest on the amount of such drawing. From the date of such drawing to (but excluding) the third business day following the applicable Liquidity Provider’s receipt of the notice of such Interest Drawing, interest will accrue at the Base Rate plus 3.20% *per annum*. Thereafter, interest will accrue at LIBOR for the applicable interest period plus 3.20% *per annum*. (Liquidity Facilities, Section 3.07)

“Base Rate” means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day of the period for which the Base Rate is to be determined (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the applicable Liquidity Provider from three Federal funds brokers of recognized standing selected by it (and reasonably satisfactory to LATAM) plus one quarter of one percent (0.25%). (Liquidity Facilities, Section 1.01)

“LIBOR” means, with respect to any interest period, the rate per annum at which U.S. dollars are offered in the London interbank market as shown on Reuters Screen LIBOR01 (or any successor thereto) at approximately 11:00 A.M. (London time) two Business Days before the first day of such interest period, for a period comparable to such interest period, or if such rate is not available, a rate per annum determined by certain alternative methods; *provided* that if LIBOR as so determined with respect to any interest period would be less than 1.50% per annum, then LIBOR for such interest period shall be deemed to be 1.50% per annum. (Liquidity Facilities, Section 1.01)

If at any time, a Liquidity Provider shall have determined (which determination shall be conclusive and binding upon the Subordination Agent, absent manifest error) that, by reason of circumstances affecting the relevant interbank lending market generally, the LIBOR rate determined or to be determined for such interest period will not adequately and fairly reflect the cost to such Liquidity Provider (as conclusively certified by such Liquidity Provider, absent manifest error) of making or maintaining advances, such Liquidity Provider shall give facsimile or telephonic notice thereof (a **“Rate Determination Notice”**) to the Subordination Agent. If such notice is given, then the outstanding principal amount of the LIBOR advances under the related Liquidity Facility shall be converted to Base Rate advances thereunder effective from the date of the Rate Determination Notice; *provided* that the rate then applicable in respect of such Base Rate advances shall be increased by one percent (1.00%). Each Liquidity Provider shall withdraw a Rate Determination Notice given under the applicable Liquidity Facility when such Liquidity Provider determines that the circumstances giving rise to such Rate Determination Notice no longer apply to such Liquidity Provider, and the Base Rate advances shall be converted to LIBOR advances effective as the first day of the next succeeding interest period after the date of such withdrawal. Each change in the Base Rate shall become effective immediately. (Liquidity Facilities, Section 3.07(g))

Downgrade Drawings, Special Termination Drawings, Non-Extension Drawings and Final Drawings

The amount drawn under any Liquidity Facility by reason of a Downgrade Drawing, a Special Termination Drawing, a Non-Extension Drawing or a Final Drawing and deposited in a Cash Collateral Account will be treated as follows:

1. such amount will be released on any Distribution Date to the extent that such amount exceeds the Required Amount, first, to the applicable Liquidity Provider up to the amount of the Liquidity Obligations owed to it, and second, for distribution pursuant to the Intercreditor Agreement;
2. any portion of such amount withdrawn from the Cash Collateral Account for the applicable Certificates to pay interest distributions on such Certificates will be treated in the same way as Interest Drawings; and
3. the balance of such amount will be invested in certain specified eligible investments.

In addition, if at any time after the Subordination Agent has made a Downgrade Drawing, the applicable Liquidity Provider has at least the applicable minimum Long-Term Rating for each Rating Agency specified for such Rating Agency in the definition of “Liquidity Threshold Rating” and so notifies the Subordination Agent, the Subordination Agent will withdraw the amount of such Downgrade Drawing that has not been applied as described above and reimburse such amount to such Liquidity Provider and the obligations of the applicable Liquidity Provider with respect to the related Liquidity Facility will be reinstated to the extent of such amount which has been reimbursed to such Liquidity Provider.

Any Downgrade Drawing, Special Termination Drawing or Non-Extension Drawing under any Liquidity Facility, other than any portion thereof applied to the payment of interest distributions on the Certificates, will bear interest, (a) subject to clauses (b) and (c) below, at a rate equal to (i) in the case of a Downgrade Drawing, LIBOR for the applicable interest period (or, as described in the first paragraph under “—*Reimbursement of Drawings—Interest Drawings and Final Drawings*,” the Base Rate) plus a specified margin, (ii) in the case of a Special Termination Drawing, LIBOR for the applicable interest period (or, as described in the first paragraph under “—*Reimbursement of Drawings—Interest Drawings and Final Drawings*,” the Base Rate) plus a specified margin and (iii) in the case of a Non-Extension Drawing, the investment earnings on the amounts deposited in the Cash Collateral Account on the outstanding amount from time to time of such Non-Extension Drawing plus a specified margin, (b) from and after the date, if any, on which such Downgrade Drawing, Special Termination Drawing or Non-Extension Drawing is converted into a Final Drawing as described below under “—*Liquidity Events of Default*,” at a rate equal to LIBOR for the applicable interest period (or, as described in the first paragraph under “—*Reimbursement of Drawings—Interest Drawings and Final Drawings*,” the Base Rate) plus 3.20% per annum and (c) from and after the date, if any, on which a Special Termination Notice is given and any Downgrade Drawing or Non-Extension Drawing is converted into a Special Termination Drawing as described below under “—*Liquidity Events of Default*” at the rate applicable to Special Termination Drawings as described in clause (a)(ii) above.

Liquidity Events of Default

Events of default under the Liquidity Facility (each, a “**Liquidity Event of Default**”) will consist of:

1. the acceleration of all of the Equipment Notes; or
2. A LATAM Bankruptcy Event. (Liquidity Facilities, Section 1.01)

If (i) any Liquidity Event of Default under any Liquidity Facility has occurred and is continuing and (ii) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes, the applicable Liquidity Provider may, in its discretion, give a notice of termination of such Liquidity Facility (a “**Final Termination Notice**”). With respect to any Liquidity Facility, if the Pool Balance of the related class of Certificates is greater than the aggregate outstanding principal amount of the related series of Equipment Notes (other than any such series of Equipment Notes previously sold or with respect to which the Aircraft related to such series of Equipment Notes has been disposed of) at any time during the 21-month period prior to the final expected Regular Distribution Date with respect to such class of Certificates, the Liquidity Provider of such Trust may, in its

discretion, give a notice of special termination of such Liquidity Facility (a “**Special Termination Notice**” and, together with the Final Termination Notice, a “**Termination Notice**”). The Termination Notice will have the following consequences:

- the related Liquidity Facility will expire on the fifth Business Day after the date on which such Termination Notice is received by the Subordination Agent;
- the Subordination Agent will promptly request, and the applicable Liquidity Provider will honor, a Final Drawing or Special Termination Drawing, as applicable, thereunder in an amount equal to the then Maximum Available Commitment thereunder;
- in the event that a Final Drawing is made, any Drawing remaining unreimbursed as of the date of termination will be automatically converted into a Final Drawing under such Liquidity Facility;
- in the event a Special Termination Notice is given, all amounts owing to the applicable Liquidity Provider will be treated as a Special Termination Drawing for the purposes set forth under “*Description of the Intercreditor Agreement—Priority of Distributions*”; and
- all amounts owing to the applicable Liquidity Provider will be automatically accelerated. (Liquidity Facilities, Section 6.01)

Notwithstanding the foregoing, the Subordination Agent will be obligated to pay amounts owing to the applicable Liquidity Provider only to the extent of funds available therefor after giving effect to the payments in accordance with the provisions set forth under “*Description of the Intercreditor Agreement—Priority of Distributions*.” (Liquidity Facilities, Section 2.09) Upon the circumstances described below under “*Description of the Intercreditor Agreement—Intercreditor Rights*,” a Liquidity Provider may become the Controlling Party with respect to the exercise of remedies under the Indentures. (Intercreditor Agreement, Section 2.06(c))

Liquidity Provider

The initial Liquidity Provider for each Trust will be Natixis, acting through its New York Branch.

DESCRIPTION OF THE INTERCREDITOR AGREEMENT

The following summary describes certain material provisions of the Intercreditor Agreement (the “**Intercreditor Agreement**”) to be entered into among the Trustees, the Liquidity Providers and Wilmington Trust Company, as subordination agent (the “**Subordination Agent**”). The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Intercreditor Agreement.

Intercreditor Rights

General

The Equipment Notes relating to each Trust will be issued to, and registered in the name of, the Subordination Agent, as agent and trustee for the related Trustee. (Intercreditor Agreement, Section 2.01(a))

Controlling Party

Each Loan Trustee will be directed, so long as no Indenture Event of Default shall have occurred and be continuing under an Indenture and subject to certain limitations described below, in taking, or refraining from taking, any action thereunder or with respect to the Equipment Notes issued under such Indenture by the holders of at least a majority of the outstanding principal amount of the Equipment Notes issued under such Indenture, and the Subordination Agent will be directed in taking, or refraining from taking, any action under the Owner Share Pledges or the Call Agreement by the holders of at least a majority of the outstanding principal amount of all Equipment Notes. See “*Voting of Equipment Notes*” below. For so long as the Subordination Agent is the registered holder of the Equipment Notes, the Subordination Agent will act with respect to the preceding sentence in accordance with the directions of the Trustees for whom the Equipment Notes issued under such Indenture are held as Trust Property, to the extent constituting, in the aggregate, directions with respect to the required principal amount of Equipment Notes.

After the occurrence and during the continuance of an Indenture Event of Default under an Indenture, each Loan Trustee will be directed in taking, or refraining from taking, any action thereunder or with respect to the Equipment Notes issued under such Indenture, and the Subordination Agent will be directed in taking, or refraining from taking, any action under the Owner Share Pledges, the Call Agreements or the other security documents, including acceleration of such Equipment Notes or foreclosing the lien on the related Aircraft with respect to which such Equipment Note was issued, by the Controlling Party, subject to the limitations described below. See “*Description of the Certificates—Indenture Events of Default and Certain Rights Upon an Indenture Event of Default*” for a description of the rights of the Certificateholders of each Trust to direct the respective Trustees. (Intercreditor Agreement, Section 2.06(a))

The “**Controlling Party**” will be:

- if Final Distributions have not been paid in full to the holders of Class A Certificates, the Class A Trustee;
- if Final Distributions have been paid in full to the holders of the Class A Certificates, but not to the holders of the Class B Certificates, the Class B Trustee;
- if any Class C Certificates have been issued and Final Distributions have been paid in full to the holders of the Class A Certificates and the Class B Certificates but not to the holders of the Class C Certificates, the Class C Trustee;
- if any Additional Certificates have been issued and Final Distributions have been paid in full to the holders of the Class A Certificates and the Class B Certificates and, if any Class C Certificates have been issued, the Class C Certificates but not to the holders of the most senior class of Additional Certificates, the trustee for the Additional Trust related to such most senior class of Additional Certificates; and

- under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the greatest amount owed to it, as discussed in the next paragraph. (Intercreditor Agreement, Sections 2.06(b) and (c))

At any time after 21 months from the earliest to occur of (x) the date on which the entire available amount under any Liquidity Facility shall have been drawn (excluding a Downgrade Drawing or Non-Extension Drawing (but including a Final Drawing, a Special Termination Drawing or a Downgrade Drawing or Non-Extension Drawing that has been converted to a Final Drawing under such Liquidity Facility)) and remains unreimbursed, (y) the date on which the entire amount of any Downgrade Drawing or Non-Extension Drawing shall have been withdrawn from the relevant Cash Collateral Account to pay interest on the relevant class of Certificates and remains unreimbursed and (z) the date on which all Equipment Notes under all Indentures shall have been accelerated, the Liquidity Provider with the greatest amount of unreimbursed Liquidity Obligations due to it (so long as such Liquidity Provider has not defaulted in its obligations to make any drawing under any Liquidity Facility) will have the right to elect to become the Controlling Party with respect to any Indenture. (Intercreditor Agreement, Section 2.06(c))

For purposes of giving effect to the rights of the Controlling Party, the Trustees (other than the Controlling Party) will irrevocably agree, and the Certificateholders (other than the Certificateholders represented by the Controlling Party) will be deemed to agree by virtue of their purchase of Certificates, that the Subordination Agent, as record holder of the Equipment Notes, shall exercise its voting rights in respect of the Equipment Notes held by the Subordination Agent as directed by the Controlling Party and any vote so exercised shall be binding upon the Trustees and Certificateholders, subject to certain limitations. For a description of certain limitations on the Controlling Party's rights to exercise remedies, see "*Limitation on Exercise of Remedies*" and "*Description of the Equipment Notes—Remedies*." (Intercreditor Agreement, Section 2.06(b))

"Final Distributions" means, with respect to the Certificates of any Trust on any Distribution Date, the sum of (x) the aggregate amount of all accrued and unpaid interest on such Certificates (excluding interest payable on the Deposits relating to such Trust) and (y) the Pool Balance of such Certificates as of the immediately preceding Distribution Date (less the amount of the Deposits for such class of Certificates as of such preceding Distribution Date other than any portion of such Deposits thereafter used to acquire Equipment Notes pursuant to the Note Purchase Agreement). For purposes of calculating Final Distributions with respect to the Certificates of any Trust, any Make-Whole Amount paid on the Equipment Notes held in such Trust which has not been distributed to the Certificateholders of such Trust (other than such Make-Whole Amount or a portion thereof applied to the payment of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of such Final Distributions. (Intercreditor Agreement, Section 1.01)

Limitation on Exercise of Remedies

So long as any Certificates are outstanding, during the period ending on the date which is nine months after the earlier of (x) the acceleration of the Equipment Notes under any Indenture and (y) the occurrence of a LATAM Bankruptcy Event, without the consent of each Trustee (including the Class C Trustee, if Class C Certificates are then outstanding) other than the Trustee of any Trust all of the Certificates of which are held or beneficially owned by LATAM or its affiliates, (i) no Aircraft subject to the lien of such Indenture or such Equipment Notes may be sold in the exercise of remedies under such Indenture, if the net proceeds from such sale would be less than the Minimum Sale Price for such Aircraft or such Equipment Notes, (ii) the amount and payment dates of rentals payable by LATAM under the related Lease may not be adjusted if, as a result of such adjustment, the discounted present value of such rentals would be less than 80% of the discounted present value of such rentals payable by LATAM under such Lease before giving effect to such adjustment, in each case using the weighted average interest rate of the Equipment Notes issued pursuant to the related Indenture as the discount rate and (iii) the collateral under the Owner Share Pledges may not be sold in the exercise of remedies if the net proceeds of such sale would be less than the Minimum Sale Price for such collateral. (Intercreditor Agreement, Section 4.01(a)(iii))

"Minimum Sale Price" means, with respect to (i) any Aircraft or the Equipment Notes issued in respect of such Aircraft, at any time, the lesser of (1) in the case of the sale of an Aircraft, 80%, or, in the case of the sale of such related Equipment Notes, 90%, of the Appraised Current Market Value of such Aircraft and (2) the sum of the aggregate Note Target Price of such Equipment Notes and an amount equal to the Excess Liquidity Obligations in respect of the Indenture under which such Equipment Notes were issued and (ii) the collateral subject to the Owner

Share Pledges, at any time, 80% of the sum of the Appraised Current Market Value of the Aircraft for which the related Equipment Notes are then held by the Subordination Agent. (Intercreditor Agreement, Section 1.01)

“Excess Liquidity Obligations” means, with respect to an Indenture, an amount equal to the sum of (i) the amount of fees payable to the Liquidity Provider with respect to each Liquidity Facility, multiplied by a fraction, the numerator of which is the then outstanding aggregate principal amount of the Series A Equipment Notes and Series B Equipment Notes issued under such Indenture and the denominator of which is the then outstanding aggregate principal amount of all Series A Equipment Notes and Series B Equipment Notes, (ii) interest on any Special Termination Drawing, Downgrade Drawing or Non-Extension Drawing payable under each Liquidity Facility in excess of investment earnings on such drawing multiplied by the fraction specified in clause (i) above, (iii) if any payment default by any Owner exists with respect to interest on any Series A Equipment Notes or Series B Equipment Notes, the excess, if any, of the interest on any Interest Drawing (or portion of any Downgrade Drawing, Non-Extension Drawing or Special Termination Drawing that is used to pay interest on the Certificates) or Final Drawing payable under each Liquidity Facility plus certain other amounts payable under each Liquidity Facility with respect thereto, over the sum of (a) investment earnings from any Final Drawing plus (b) any interest at the past due rate actually payable (whether or not in fact paid) by such Owner on the overdue scheduled interest on the Series A Equipment Notes and Series B Equipment Notes in respect of which such Drawing was made (or portion of Downgrade Drawing, Non-Extension Drawing or Special Termination Drawing was used), multiplied by a fraction the numerator of which is the aggregate overdue amounts of interest on the Series A Equipment Notes and Series B Equipment Notes issued under such Indenture (other than interest becoming due and payable solely as a result of acceleration of any such Equipment Notes) and the denominator of which is the then aggregate overdue amounts of interest on all Series A Equipment Notes and Series B Equipment Notes (other than interest becoming due and payable solely as a result of acceleration of any such Equipment Notes), and (iv) any other amounts owed to a Liquidity Provider by the Subordination Agent as borrower under each Liquidity Facility other than amounts due as repayment of advances thereunder or as interest on such advances, except to the extent payable pursuant to clauses (ii) and (iii) above, multiplied by the fraction specified in clause (i) above. The foregoing definition shall be revised accordingly to reflect, if applicable, any Replacement Facility. (Indentures, Section 2.14)

“Note Target Price” means, for any Equipment Note issued under any Indenture: (i) the aggregate outstanding principal amount of such Equipment Note, plus (ii) the accrued and unpaid interest thereon, together with all other sums owing on or in respect of such Equipment Note (including, without limitation, enforcement costs incurred by the Subordination Agent in respect of such Equipment Note). (Intercreditor Agreement, Section 1.01)

Following the occurrence and during the continuation of an Indenture Event of Default under any Indenture, in the exercise of remedies pursuant to such Indenture, the Loan Trustee under such Indenture may be directed to lease the related Aircraft to any person (including LATAM) so long as the Loan Trustee in doing so acts in a “commercially reasonable” manner within the meaning of Article 9 of the Uniform Commercial Code as in effect in any applicable jurisdiction (including Sections 9-610 and 9-627 thereof). (Intercreditor Agreement, Section 4.01(a)(i))

If following certain events of bankruptcy, reorganization or insolvency with respect to LATAM described in the Intercreditor Agreement (a **“LATAM Bankruptcy Event”**) and during the pendency thereof, the Controlling Party receives a proposal from or on behalf of any Owner or LATAM to restructure the financing of any one or more of the Aircraft, the Controlling Party will promptly thereafter give the Subordination Agent, each Trustee (including the Class C Trustee, if Class C Certificates are then outstanding) and each Liquidity Provider that has not made a Final Drawing notice of the material economic terms and conditions of such restructuring proposal whereupon the Subordination Agent acting on behalf of each Trustee (including the Class C Trustee, if Class C Certificates are then outstanding) will post such terms and conditions of such restructuring proposal on DTC’s Internet bulletin board or make such other commercially reasonable efforts as the Subordination Agent may deem appropriate to make such terms and conditions available to all Certificateholders (including, if Class C Certificates are then outstanding, Class C Certificateholders). Thereafter, neither the Subordination Agent nor any Trustee, whether acting on instructions of the Controlling Party or otherwise, may, without the consent of each Trustee (including the Class C Trustee, if Class C Certificates are then outstanding) and each Liquidity Provider that has not made a Final Drawing, enter into any term sheet, stipulation or other agreement (a **“Restructuring Arrangement”**) (whether in the form of an adequate protection stipulation, extension of any automatic stay period or otherwise) to effect any such restructuring proposal with or on behalf of LATAM or the Owners unless and until the material economic terms and conditions of such restructuring proposal shall have been made available to all Certificateholders (including, if Class C

Certificates are then outstanding, Class C Certificateholders) and each Liquidity Provider that has not made a Final Drawing, for a period of not less than 15 calendar days (except that such requirement shall not apply to any such term sheet, stipulation or other agreement that is to be effective on or as of any date occurring during the 60-Day Period and that is initially effective for a period not exceeding three months from the expiry of the 60-Day Period (an “**Interim Restructuring Arrangement**”)). (Intercreditor Agreement, Section 4.01(c))

In the event that any Certificateholder gives irrevocable notice of the exercise of its right to purchase all (but not less than all) of the class of Certificates represented by the then Controlling Party (as described in “*Description of the Certificates—Purchase Rights of Certificateholders*”) prior to the expiry of the applicable notice period specified above, such Controlling Party may not direct the Subordination Agent or any Trustee to enter into any such restructuring proposal with respect to any of the Aircraft, unless and until such Certificateholder fails to purchase such class of Certificates on the date that it is required to make such purchase. (Intercreditor Agreement, Section 4.01(c))

Post Default Appraisals

Upon the occurrence and continuation of an Indenture Event of Default under any Indenture, the Subordination Agent will be required to obtain three desktop appraisals from the appraisers selected by the Controlling Party setting forth the current market value, current lease rate and distressed value (in each case, as defined by the International Society of Transport Aircraft Trading or any successor organization) of the Aircraft subject to such Indenture (each such appraisal, an “**Appraisal**” and the current market value appraisals being referred to herein as the “**Post Default Appraisals**”). For so long as any Indenture Event of Default shall be continuing under any Indenture, and without limiting the right of the Controlling Party to request more frequent Appraisals, the Subordination Agent will be required to obtain additional Appraisals on the date that is 364 days from the date of the most recent Appraisal or if a LATAM Bankruptcy Event shall have occurred and is continuing, on the date that is 180 days from the date of the most recent Appraisal and shall (acting on behalf of each Trustee) post such Appraisals on DTC’s Internet bulletin board or make such other commercially reasonable efforts as the Subordination Agent may deem appropriate to make such Appraisals available to all Certificateholders. (Intercreditor Agreement, Section 4.01(a)(iv))

“**Appraised Current Market Value**” of any Aircraft means the lower of the average and the median of the three most recent Post Default Appraisals of such Aircraft. (Intercreditor Agreement, Section 1.01)

Priority of Distributions

All payments in respect of the Equipment Notes and certain other payments received on each Regular Distribution Date or Special Distribution Date will be promptly distributed by the Subordination Agent on such Regular Distribution Date or Special Distribution Date in the following order of priority:

- to the Subordination Agent, any Trustee, any Certificateholder and any Liquidity Provider to the extent required to pay certain out-of-pocket costs and expenses actually incurred by the Subordination Agent (or reasonably expected to be incurred by the Subordination Agent for the period ending on the next succeeding Regular Distribution Date, which shall not exceed \$150,000 unless approved in writing by the Controlling Party and accompanied by evidence that such costs are actually expected to be incurred) or any Trustee or to reimburse any Certificateholder or any Liquidity Provider in respect of payments made to the Subordination Agent or any Trustee in connection with the protection or realization of the value of the Equipment Notes held by the Subordination Agent or any Collateral under (and as defined in) any Indenture (collectively, the “**Administration Expenses**”);
- to each Liquidity Provider (a) to the extent required to pay the accrued and unpaid Liquidity Expenses or (b) in the case of a Special Payment on account of the redemption, purchase or prepayment of the Equipment Notes issued pursuant to an Indenture (an “**Equipment Note Special Payment**”), so long as no Indenture Event of Default has occurred and is continuing under any Indenture, the amount of accrued and unpaid Liquidity Expenses that are not yet overdue, multiplied by the Applicable Fraction or, if an Indenture Event of Default has occurred and is continuing, clause (a) will apply;

- to each Liquidity Provider (i)(a) to the extent required to pay interest accrued and unpaid on the Liquidity Obligations or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Event of Default has occurred and is continuing under any Indenture, to the extent required to pay accrued and unpaid interest then overdue on the Liquidity Obligations, plus an amount equal to the amount of accrued and unpaid interest on the Liquidity Obligations not yet overdue, multiplied by the Applicable Fraction or, if an Indenture Event of Default has occurred and is continuing, clause (a) will apply and (ii) if a Special Termination Drawing has been made under a Liquidity Facility that has not been converted into a Final Drawing, the outstanding amount of such Special Termination Drawing under such Liquidity Facility;
- to (i) if applicable, unless (in the case of this clause (i) only) (x) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes and a Liquidity Event of Default shall have occurred and be continuing under a Liquidity Facility or (y) a Final Drawing shall have occurred under a Liquidity Facility, the funding of the Cash Collateral Account with respect to such Liquidity Facility up to the Required Amount for the related class of Certificates and (ii) each Liquidity Provider to the extent required to pay the outstanding amount of all Liquidity Obligations;
- to the Subordination Agent, any Trustee or any Certificateholder to the extent required to pay certain fees, taxes, charges and other amounts payable;
- to the Class A Trustee (a) to the extent required to pay accrued and unpaid interest at the Stated Interest Rate on the Pool Balance of the Class A Certificates (excluding interest, if any, payable with respect to the Deposits relating to such class of Certificates) or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Event of Default has occurred and is continuing under any Indenture, to the extent required to pay any such interest that is then accrued, due and unpaid together with (without duplication) accrued and unpaid interest at the Stated Interest Rate on the outstanding principal amount of the Series A Equipment Notes held in the Class A Trust being redeemed, purchased or prepaid (excluding interest, if any, payable with respect to the Deposits relating to such Class of Certificates) or, if an Indenture Event of Default has occurred and is continuing, clause (a) will apply;
- to the Class B Trustee (a) to the extent required to pay unpaid Class B Adjusted Interest on the Class B Certificates (excluding interest, if any, payable with respect to the Deposits relating to such class of Certificates) or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Event of Default has occurred and is continuing under any Indenture, to the extent required to pay any accrued, due and unpaid Class B Adjusted Interest (excluding interest, if any, payable with respect to the Deposits relating to such class of Certificates) or, if an Indenture Event of Default has occurred and is continuing, clause (a) will apply;
- if any Class C Certificates have been issued, to the Class C Trustee (a) to the extent required to pay unpaid Class C Adjusted Interest on the Class C Certificates (excluding interest, if any, payable with respect to the Deposits relating to such class of Certificates) or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Event of Default has occurred and is continuing under any Indenture, to the extent required to pay any accrued, due and unpaid Class C Adjusted Interest (excluding interest, if any, payable with respect to the Deposits relating to such class of Certificates) or, if an Indenture Event of Default has occurred and is continuing, clause (a) will apply;
- to the Class A Trustee to the extent required to pay Expected Distributions on the Class A Certificates;
- to the Class B Trustee (a) to the extent required to pay accrued and unpaid interest at the Stated Interest Rate on the Pool Balance of the Class B Certificates (other than Class B Adjusted Interest paid above) (excluding interest, if any, payable with respect to the Deposits relating to such class of Certificates) or (b) in the case of an Equipment Note Special Payment, so long as no Indenture

Event of Default has occurred and is continuing under any Indenture, to the extent required to pay any such interest that is then accrued, due and unpaid (other than Class B Adjusted Interest paid above) together with (without duplication) accrued and unpaid interest at the Stated Interest Rate on the outstanding principal amount of the Series B Equipment Notes held in the Class B Trust and being redeemed, purchased or prepaid (excluding interest, if any, payable with respect to the Deposits relating to such Class of Certificates) or, if an Indenture Event of Default has occurred and is continuing, clause (a) will apply;

- to the Class B Trustee to the extent required to pay Expected Distributions on the Class B Certificates;
- if any Class C Certificates have been issued, to the Class C Trustee (a) to the extent required to pay accrued and unpaid interest at the Stated Interest Rate on the Pool Balance of the Class C Certificates (other than Class C Adjusted Interest paid above) (excluding interest, if any, payable with respect to the Deposits relating to such class of Certificates) or (b) in the case of an Equipment Note Special Payment, so long as no Indenture Event of Default has occurred and is continuing under any Indenture, to the extent required to pay any such interest that is then accrued, due and unpaid (other than Class C Adjusted Interest paid above) together with (without duplication) accrued and unpaid interest at the Stated Interest Rate on the outstanding principal amount of the Series C Equipment Notes held in the Class C Trust and being redeemed, purchased or prepaid (excluding interest, if any, payable with respect to the Deposits relating to such Class of Certificates) or, if an Indenture Event of Default has occurred and is continuing, clause (a) will apply; and
- if any Class C Certificates have been issued, to the Class C Trustee to the extent required to pay Expected Distributions on the Class C Certificates. (Intercreditor Agreement, Sections 2.04 and 3.02)

If one or more classes of Additional Certificates are issued, the priority of distributions in the Intercreditor Agreement may be revised such that certain obligations relating to interest on such classes of Additional Certificates may rank ahead of certain obligations with respect to the Certificates. See “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates.*”

“**Applicable Fraction**” means, with respect to any Special Distribution Date, a fraction, the numerator of which shall be the amount of principal of the applicable Series A Equipment Notes and Series B Equipment Notes being redeemed, purchased or prepaid on such Special Distribution Date, and the denominator of which shall be the aggregate unpaid principal amount of all Series A Equipment Notes and Series B Equipment Notes outstanding as of such Special Distribution Date immediately before giving effect to such redemption, purchase or prepayment.

“**Liquidity Obligations**” means, with respect to each Liquidity Provider, the obligations to reimburse or to pay such Liquidity Provider all principal, interest, fees and other amounts owing to it under the applicable Liquidity Facility or certain other agreements. (Intercreditor Agreement, Section 1.01)

“**Liquidity Expenses**” means, with respect to each Liquidity Provider, all Liquidity Obligations other than any interest accrued thereon or the principal amount of any drawing under the applicable Liquidity Facility. (Intercreditor Agreement, Section 1.01)

“**Expected Distributions**” means, with respect to the Certificates of any Trust on any Distribution Date (the “**Current Distribution Date**”), the difference between:

- the Pool Balance of such Certificates as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date after the Issuance Date, the original aggregate face amount of the Certificates of such Trust), and
- the Pool Balance of such Certificates as of the Current Distribution Date calculated on the basis that (i) the principal of any Equipment Notes other than Performing Equipment Notes held in such Trust has been paid in full and such payments have been distributed to the holders of such

Certificates, (ii) the principal of any Performing Equipment Notes held in such Trust has been paid when due (whether at stated maturity or upon prepayment or purchase or otherwise, but without giving effect to any acceleration of Performing Equipment Notes) and such payments have been distributed to the holders of such Certificates and (iii) the principal of any Equipment Notes formerly held in such Trust that have been sold pursuant to the Intercreditor Agreement has been paid in full and such payments have been distributed to the holders of such Certificates, without giving effect to any reduction in the Pool Balance as a result of any distribution attributable to Deposits occurring after the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, occurring after the initial issuance of the Certificates of such Trust).

For purposes of calculating Expected Distributions with respect to the Certificates of any Trust, any Make-Whole Amount paid on the Equipment Notes held in such Trust that has not been distributed to the Certificateholders of such Trust (other than such Make-Whole Amount or a portion thereof applied to the payment of interest on the Certificates of such Trust or the reduction of the Pool Balance of such Trust) shall be added to the amount of Expected Distributions. (Intercreditor Agreement, Section 1.01)

“Class B Adjusted Interest” means, as of any Current Distribution Date, (I) any interest described in clause (II) of this definition accrued prior to the immediately preceding Distribution Date which remains unpaid and (II) the sum of (x) interest determined at the Stated Interest Rate for the Class B Certificates for the period commencing on, and including, the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the Issuance Date) and ending on, but excluding, the Current Distribution Date, on the Eligible B Pool Balance on such Distribution Date and (y) the sum of interest for each Series B Equipment Note with respect to which, or with respect to the Aircraft with respect to which such Equipment Note was issued, a disposition, distribution, sale or Deemed Disposition Event has occurred, since the immediately preceding Distribution Date (but only if no such event has previously occurred with respect to such Series B Equipment Note), determined at the Stated Interest Rate for the Class B Certificates for each day during the period commencing on, and including, the immediately preceding Distribution Date (or, if the current Distribution Date is the first Distribution Date, the Issuance Date) and ending on, but excluding, the date of the earliest of such disposition, distribution, sale or Deemed Disposition Event with respect to such Series B Equipment Note or Aircraft, as the case may be, on the principal amount of such Series B Equipment Note calculated pursuant to clause (B)(i), (ii), (iii) or (iv), as applicable, of the definition of Eligible B Pool Balance. (Intercreditor Agreement, Section 1.01)

“Class C Adjusted Interest” means, if any Class C Certificates have been issued, as of any Current Distribution Date, (I) any interest described in clause (II) of this definition accrued prior to the immediately preceding Distribution Date which remains unpaid and (II) the sum of (x) interest determined at the Stated Interest Rate for the Class C Certificates for the period commencing on, and including, the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the Issuance Date) and ending on, but excluding, the Current Distribution Date, on the Eligible C Pool Balance on such Distribution Date and (y) the sum of interest for each Series C Equipment Note with respect to which, or with respect to the Aircraft with respect to which such Equipment Note was issued, a disposition, distribution, sale or Deemed Disposition Event has occurred, since the immediately preceding Distribution Date (but only if no such event has previously occurred with respect to such Series C Equipment Note), determined at the Stated Interest Rate for the Class C Certificates for each day during the period commencing on, and including, the immediately preceding Distribution Date (or, if the current Distribution Date is the first Distribution Date, the Issuance Date) and ending on, but excluding, the date of the earliest of such disposition, distribution, sale or Deemed Disposition Event with respect to such Series C Equipment Note or Aircraft, as the case may be, on the principal amount of such Series C Equipment Note calculated pursuant to clause (B)(i), (ii), (iii) or (iv), as applicable, of the definition of Eligible C Pool Balance. (Intercreditor Agreement, Section 1.01)

“Eligible B Pool Balance” means, as of any date of determination, the excess of (A) the Pool Balance of the Class B Certificates as of the immediately preceding Distribution Date (or, if such date of determination is on or before the first Distribution Date, the original aggregate face amount of the Class B Certificates) (after giving effect to payments made on such date of determination) over (B) the sum of, with respect to each Series B Equipment Note, one of the following amounts, if applicable: (i) if there has previously been a sale or disposition by the applicable Loan Trustee of the Aircraft for cash under (and as defined in) the related Indenture, the outstanding principal

amount of such Series B Equipment Note that remains unpaid as of such date of determination subsequent to such sale or disposition and after giving effect to any distributions of the proceeds of such sale or disposition applied under such Indenture to the payment of such Series B Equipment Note, (ii) if there has previously been an Event of Loss with respect to the applicable Aircraft to which such Series B Equipment Note relates, the outstanding principal amount of such Series B Equipment Note that remains unpaid as of such date of determination subsequent to the scheduled date of mandatory redemption of such Series B Equipment Note following such Event of Loss and after giving effect to the distributions of any proceeds in respect of such Event of Loss applied under such Indenture to the payment of such Series B Equipment Note, (iii) if such Series B Equipment Note has previously been sold for cash by the Subordination Agent, the excess, if any, of (x) the outstanding amount of principal and interest as of the date of such sale by the Subordination Agent of such Series B Equipment Note over (y) the purchase price received with respect to such sale of such Series B Equipment Note for cash (net of any applicable costs and expenses of such sale) or (iv) if a Deemed Disposition Event has occurred with respect to such Series B Equipment Note, the outstanding principal amount of such Series B Equipment Note; provided, however, that if more than one of the clauses (i), (ii), (iii) and (iv) is applicable to any one Series B Equipment Note, only the amount determined pursuant to the clause that first became applicable shall be counted with respect to such Series B Equipment Note. (Intercreditor Agreement, Section 1.01)

“Eligible C Pool Balance” means, if any Class C Certificates have been issued, as of any date of determination, the excess of (A) the Pool Balance of the Class C Certificates as of the immediately preceding Distribution Date (or, if such date of determination is on or before the first Distribution Date, the original aggregate face amount of the Class C Certificates) (after giving effect to payments made on such date of determination) over (B) the sum of, with respect to each Series C Equipment Note, one of the following amounts, if applicable: (i) if there has previously been a sale or disposition by the applicable Loan Trustee of the Aircraft for cash under (and as defined in) the related Indenture, the outstanding principal amount of such Series C Equipment Note that remains unpaid as of such date of determination subsequent to such sale or disposition and after giving effect to any distributions of the proceeds of such sale or disposition applied under such Indenture to the payment of such Series C Equipment Note, (ii) if there has previously been an Event of Loss with respect to the applicable Aircraft to which such Series C Equipment Note relates, the outstanding principal amount of such Series C Equipment Note that remains unpaid as of such date of determination subsequent to the scheduled date of mandatory redemption of such Series C Equipment Note following such Event of Loss and after giving effect to the distributions of any proceeds in respect of such Event of Loss applied under such Indenture to the payment of such Series C Equipment Note, (iii) if such Series C Equipment Note has previously been sold for cash by the Subordination Agent, the excess, if any, of (x) the outstanding amount of principal and interest as of the date of such sale by the Subordination Agent of such Series C Equipment Note over (y) the purchase price received with respect to such sale of such Series C Equipment Note for cash (net of any applicable costs and expenses of such sale) or (iv) if a Deemed Disposition Event has occurred with respect to such Series C Equipment Note, the outstanding principal amount of such Series C Equipment Note; provided, however, that if more than one of the clauses (i), (ii), (iii) and (iv) is applicable to any one Series C Equipment Note, only the amount determined pursuant to the clause that first became applicable shall be counted with respect to such Series C Equipment Note. (Intercreditor Agreement, Section 1.01)

“Deemed Disposition Event” means, in respect of any Equipment Note, the continuation of an Indenture Event of Default in respect of such Equipment Note without an Actual Disposition Event occurring in respect of such Equipment Note for a period of five years from the date of the occurrence of such Indenture Event of Default. (Intercreditor Agreement, Section 1.01)

“Actual Disposition Event” means, in respect of any Equipment Note, (i) the sale or disposition by the applicable Loan Trustee for cash of the Aircraft securing such Equipment Note, (ii) the occurrence of the mandatory redemption date for such Equipment Note following an Event of Loss with respect to such Aircraft or (iii) the sale by the Subordination Agent of such Equipment Note for cash. (Intercreditor Agreement, Section 1.01)

Interest Drawings under the applicable Liquidity Facility and withdrawals from the applicable Cash Collateral Account, in respect of interest on the Certificates of the Class A Trust or the Class B Trust, as applicable, will be distributed to the Trustee for such class of Certificates, notwithstanding the priority of distributions set forth in the Intercreditor Agreement and otherwise described herein. All amounts on deposit in the Cash Collateral Account for any such Trust that are in excess of the Required Amount will be paid to the applicable Liquidity Provider. (Intercreditor Agreement, Sections 3.05(b) and 3.05(f))

Voting of Equipment Notes

In the event that the Subordination Agent, as the registered holder of any Equipment Notes, receives a request for the giving of notice or its consent to any amendment, supplement, modification, approval, consent or waiver under such Equipment Notes or the related Indenture, the related Participation Agreement, the related Lease, the related Sublease (if applicable), the Note Purchase Agreement, the Owner Share Pledges, the Call Agreements, the other security documents or other related document, (i) if no Indenture Event of Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent shall request directions from the Trustee(s) and shall vote or consent in accordance with such directions and (ii) if any Indenture Event of Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent will exercise its voting rights as directed by the Controlling Party, subject to certain limitations; *provided* that no such amendment, supplement, modification, approval, consent or waiver shall, without the consent of each Liquidity Provider, reduce the amount of principal, interest or premium payable by the Owner under any Equipment Note. In addition, see the last paragraph under “*Description of the Certificates—Modification of the Pass Through Trust Agreements and Certain Other Agreements*” for a description of the additional Certificateholder consent requirements with respect to amendments, supplements, modifications, approvals, consents or waivers of the Indentures, Equipment Notes, Participation Agreements, Note Purchase Agreement or other related documents. (Intercreditor Agreement, Section 8.01(b))

Certain Communications with Certificateholders

Upon the occurrence of an Indenture Event of Default, the Subordination Agent shall instruct the Trustees to, and the Trustees shall, request that DTC post on its Internet bulletin board a securities position listing setting forth the names of all the parties reflected on DTC’s books as holding interests in the Certificates. (Intercreditor Agreement, Section 5.01(c))

Reports

Promptly after the occurrence of a Triggering Event or an Indenture Event of Default resulting from either (A) the failure of LATAM to make payments of rent under any Lease or (B) the failure of any Owner to make payments on any Equipment Note and on every Regular Distribution Date while such Triggering Event or such Indenture Event of Default shall be continuing, the Subordination Agent will provide to the Trustees, the Liquidity Providers, the Rating Agencies and LATAM a statement setting forth the following information:

- after a LATAM Bankruptcy Event, with respect to each Aircraft, whether such Aircraft is subject to an Interim Restructuring Agreement or other agreement of the applicable creditors and LATAM;
- to the best of the Subordination Agent’s knowledge, after requesting such information from LATAM, (i) whether the Aircraft are currently in service or parked in storage, (ii) the maintenance status of the Aircraft and (iii) location of the Engines. LATAM has agreed to provide such information upon request of the Subordination Agent, but no more frequently than every three months with respect to each Aircraft so long as it is subject to the lien of an Indenture (Note Purchase Agreement, Section 4(b)(iii));
- the current Pool Balance of each class of Certificates, the Eligible B Pool Balance, if any Class C Certificates have been issued, the Eligible C Pool Balance, and outstanding principal amount of all Equipment Notes for all Aircraft;
- the expected amount of interest which will have accrued on the Equipment Notes and on the Certificates as of the next Regular Distribution Date;
- the amounts paid to each person on such Distribution Date pursuant to the Intercreditor Agreement;
- details of the amounts paid on such Distribution Date identified by reference to the relevant provision of the Intercreditor Agreement and the source of payment (by Aircraft and party);

- if the Subordination Agent has made a Final Drawing or a Special Termination Drawing under any Liquidity Facility;
- the amounts currently owed to each Liquidity Provider;
- the amounts drawn under each Liquidity Facility; and
- after a LATAM Bankruptcy Event, any operational reports filed by LATAM with the bankruptcy court or other relevant court, trustee or receiver which are available to the Subordination Agent on a non-confidential basis. (Intercreditor Agreement, Section 5.01(d))

The Subordination Agent

Wilmington Trust Company will be the Subordination Agent under the Intercreditor Agreement. LATAM and its affiliates may from time to time enter into banking and trustee relationships with the Subordination Agent and its affiliates. The Subordination Agent's address is Wilmington Trust Company, 1100 North Market Street, Wilmington, Delaware 19890, Attention: Corporate Trust Admin / Drew Davis, Ref: LATAM 2015-1 EETC.

The Subordination Agent may resign at any time, in which event a successor Subordination Agent will be appointed as provided in the Intercreditor Agreement. LATAM (unless an Indenture Event of Default has occurred and is continuing) or the Controlling Party may remove the Subordination Agent for cause as provided in the Intercreditor Agreement. In such circumstances, a successor Subordination Agent will be appointed as provided in the Intercreditor Agreement. Any resignation or removal of the Subordination Agent and appointment of a successor Subordination Agent does not become effective until acceptance of the appointment by the successor Subordination Agent. (Intercreditor Agreement, Section 7.01(a))

DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS

The Aircraft

The Aircraft to be financed, in part, pursuant to this offering will consist of eleven new Airbus A321-200 aircraft, two new Airbus A350-900 aircraft and four new Boeing 787-9 aircraft, scheduled for delivery from July 2015 to March 2016. See “—*The Appraisals*” for a description of the seventeen new aircraft to be financed with the proceeds of this offering.

At or before the time of delivery of each Aircraft the right to purchase such Aircraft will be assigned by LATAM as follows: the right to purchase the 2015 Wide Body Aircraft will be assigned to the 2015 WB Owner; the right to purchase the 2015 Narrow Body Aircraft will be assigned to the 2015 NB Owner; the right to purchase the 2016 Wide Body Aircraft will be assigned to the 2016 WB Owner; and the right to purchase the 2016 Narrow Body Aircraft will be assigned to the 2016 NB Owner. The Owners will finance the purchase of the Aircraft from the Manufacturers with the proceeds from the sale of the Equipment Notes and with the initial payment of rent by LATAM under the Leases.

The Airbus A321-200 aircraft is a narrow-body commercial jet aircraft, with a current seating capacity of approximately 220 passengers across one class in LATAM’s configuration for such aircraft. LATAM’s A321-200 aircraft are each powered by two CFM56-5B/3 model commercial jet engines manufactured by CFM International, S.A. It is expected that six of the A321-200 Aircraft will be operated by LATAM, and five of the A321-200 Aircraft will be operated by the Sublessee.

The Airbus A350-900 aircraft is a wide-body commercial jet aircraft, with a current seating capacity of approximately 348 passengers across two classes in LATAM’s configuration for such aircraft. LATAM’s A350-900 aircraft are each powered by two Trent XWB-84 model commercial jet engines manufactured by Rolls Royce plc. It is expected that the Airbus A350-900 Aircraft will be operated by the Sublessee.

The Boeing 787-9 aircraft is a wide-body commercial jet aircraft, with a current seating capacity of approximately 313 passengers across two classes in LATAM’s configuration for such aircraft. LATAM’s 787-9 aircraft are each powered by two Trent 1000 model commercial jet engines manufactured by Rolls Royce plc. It is expected that the Boeing 787-9 Aircraft will be operated by LATAM.

The Appraisals

The table below sets forth the appraised values of the Aircraft to be financed with the proceeds of this offering, as determined by Aircraft Information Services, Inc. (“**AISI**”), Aviation Specialists Group, Inc. (“**ASG**”) and Morten Beyer & Agnew, Inc. (“**mba**”), independent aircraft appraisal and consulting firms (collectively, the “**Appraisers**”).

Aircraft Type	Expected Registration Number ⁽¹⁾	Delivery Rank or Expected Manufacturer's Serial Number ⁽¹⁾	Scheduled Month of Delivery ⁽¹⁾	Appraiser's Valuations			Appraised Value ⁽²⁾
				AISI	ASG	mba	
Airbus A321-200.....	TBD	Rank 96	July 2015	\$ 55,420,000	\$ 52,655,591	\$ 52,810,000	\$ 52,810,000
Airbus A321-200.....	TBD	Rank 72	September 2015	55,600,000	52,655,591	52,890,000	52,890,000
Airbus A321-200.....	TBD	Rank 93	October 2015	55,690,000	52,912,450	52,940,000	52,940,000
Airbus A321-200.....	TBD	Rank 112	October 2015	55,690,000	52,912,450	52,940,000	52,940,000
Airbus A321-200.....	TBD	Rank 103	December 2015	55,880,000	52,912,450	53,030,000	53,030,000
Airbus A321-200.....	TBD	Rank 113	December 2015	55,880,000	52,912,450	53,030,000	53,030,000
Airbus A321-200.....	TBD	Rank 114	December 2015	55,880,000	52,912,450	53,030,000	53,030,000
Airbus A321-200.....	TBD	Rank 92	January 2016	55,970,000	53,170,585	53,070,000	53,170,585
Airbus A321-200.....	TBD	Rank 120	February 2016	56,060,000	53,170,585	53,120,000	53,170,585
Airbus A321-200.....	TBD	Rank 135	March 2016	56,150,000	53,170,585	53,160,000	53,170,585
Airbus A321-200.....	TBD	Rank 136	March 2016	56,150,000	53,170,585	53,160,000	53,170,585
Airbus A350-900.....	TBD	0024	December 2015	149,670,000	143,412,970	150,250,000	147,777,657
Airbus A350-900.....	TBD	0027	February 2016	150,160,000	144,124,719	150,500,000	148,261,573
Boeing 787-9.....	TBD	38478	August 2015	137,200,000	138,016,139	134,420,000	136,545,380
Boeing 787-9.....	TBD	38479	September 2015	137,420,000	138,016,139	134,530,000	136,655,380
Boeing 787-9.....	TBD	38461	December 2015	138,110,000	139,039,814	134,870,000	137,339,938
Boeing 787-9.....	TBD	38459	January 2016	138,330,000	140,071,083	134,980,000	137,793,694
				<u>\$ 1,465,260,000</u>	<u>\$ 1,425,236,637</u>	<u>\$ 1,422,730,000</u>	<u>\$ 1,427,725,960</u>

- (1) The indicated registration number, manufacturer's serial number and delivery month for each Aircraft reflect LATAM's current expectations, although these may differ for the actual Aircraft financed hereunder. The actual delivery date for any Aircraft may be subject to delay or acceleration. See "*Timing of Financing the Aircraft*" below. LATAM has certain rights to substitute other aircraft if the scheduled delivery date of any Aircraft is delayed for more than 30 days after the month scheduled for delivery. See "*Substitute Aircraft*".
- (2) The appraised value of each Aircraft set forth above is the lesser of the average and median values of such Aircraft as appraised by the Appraisers.

For purposes of the foregoing chart, AISI, ASG and mba were each asked to provide its opinion as to the appraised base value of each Aircraft, projected as of the scheduled delivery month of the applicable Aircraft. As part of this process, all three Appraisers performed "desk top" appraisals without any physical inspection of the Aircraft. The appraisals are based on various assumptions and methodologies, which vary among the appraisals. The Appraisers have delivered letters summarizing their respective appraisals, copies of which are annexed to this offering memorandum as Appendix II. For a discussion of the assumptions and methodologies used in each of the appraisals, please refer to Appendix II.

An appraisal is only an estimate of value. It is not indicative of the price at which an Aircraft may be purchased from the applicable Manufacturer, nor should it be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Aircraft may be less than its appraised value. The value of the Aircraft in the event of the exercise of remedies under the applicable Indenture will depend on market and economic conditions, the availability of buyers, the condition of the Aircraft and other factors. Accordingly, there can be no assurance that the proceeds realized upon any such exercise of remedies with respect to the Equipment Notes and the Aircraft pursuant to the applicable Indenture would equal the appraised value of such Aircraft or be sufficient to satisfy in full payments due on such Equipment Notes or the Certificates. See "*Risk Factors—Risk Factors Relating to the Certificates and the Offering—The Appraisals are only estimates of Aircraft value*".

Timing of Financing the Aircraft

The Aircraft to be financed with the proceeds of this offering are scheduled for delivery under LATAM's purchase agreements with Boeing and Airbus from July 2015 to March 2016. See the table above under "*The Appraisals*" for the scheduled month of delivery of each such Aircraft. Under such purchase agreements, delivery of an Aircraft may be delayed due to "excusable delay", which is defined to include, among other things, acts of God, war, governmental acts, strikes or other labor troubles, inability to obtain or procure materials or any other cause beyond the control of a Manufacturer and not occasioned by such Manufacturer's fault or negligence.

The Note Purchase Agreement provides that the period for financing the Aircraft under this offering (the "**Delivery Period**") will expire on June 30, 2016. If a labor strike occurs at either Manufacturer prior to the scheduled

expiration of the Delivery Period, the expiration date of the Delivery Period will be extended by the number of days that such strike continued in effect, but not more than 60 days.

If the scheduled delivery date of any Aircraft is delayed by more than 30 days after the month scheduled for delivery, LATAM has the right to replace such Aircraft with a Substitute Aircraft (as defined below), subject to certain conditions. See “—*Substitute Aircraft*”. If delivery of any such Aircraft is delayed beyond the Delivery Period Termination Date and LATAM does not exercise its right to replace such Aircraft with a Substitute Aircraft, there will be unused Deposits that will be distributed to Certificateholders together with accrued and unpaid interest thereon but without a premium. See “*Description of the Deposit Agreements—Other Withdrawals and Return of Deposits*”.

Substitute Aircraft

If the scheduled delivery date for any Aircraft to be financed with the proceeds of this offering is delayed by more than 30 days after the last day of the month scheduled for delivery, LATAM may identify for delivery a substitute aircraft (each, together with the substitute aircraft referred to below, a “**Substitute Aircraft**”) therefor meeting the following conditions:

- A Substitute Aircraft must be of the same model as the Aircraft being replaced.
- LATAM will be obligated to obtain written confirmation from each Rating Agency that substituting such Substitute Aircraft for the replaced Aircraft will not result in a withdrawal, suspension or downgrading of the ratings of any class of Certificates. (Note Purchase Agreement, Section 1(g)).

DESCRIPTION OF THE EQUIPMENT NOTES

The following summary describes certain material terms of the Equipment Notes. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Equipment Notes, the form of Indenture, the form of Participation Agreement, the form of Lease and the Note Purchase Agreement. Except as otherwise indicated, the following summaries relate to the Equipment Notes, the Indenture, the Participation Agreement and the Lease applicable to each Aircraft.

On and subject to the terms and conditions of the Note Purchase Agreement and the applicable Participation Agreement, Lease and Indenture, each Owner agrees to enter into a secured debt financing with respect to each Aircraft on or prior to the Delivery Period Termination Date. The Note Purchase Agreement provides for the relevant parties to enter into a Participation Agreement, a Lease and an Indenture relating to the financing of each Aircraft that are substantially in the forms attached to the Note Purchase Agreement. See *“Description of the Certificates—Obligation to Purchase Equipment Notes.”* The description of the terms of the Equipment Notes in this offering memorandum is based on the forms of such agreements annexed to the Note Purchase Agreement. However, the terms of the financing and lease agreements actually entered into with respect to an Aircraft may differ from the forms of such agreements and, consequently, may differ from the description of such agreements contained in this offering memorandum. Although such changes are permitted under the Note Purchase Agreement, LATAM must obtain written confirmation from each Rating Agency to the effect that the use of financing agreements modified in any material respect from the forms attached to the Note Purchase Agreement will not result in a withdrawal, suspension or downgrading of the ratings of each class of Certificates then rated by such Rating Agency and that remains outstanding. The terms of such agreements also must in any event comply with the Required Terms. In addition, LATAM, subject to certain exceptions, is obligated to certify to the Trustees that any substantive modifications do not materially and adversely affect the Certificateholders or the Liquidity Providers. See *“Description of the Certificates—Obligation to Purchase Equipment Notes.”*

General

Pursuant to the terms of a participation agreement among LATAM, the relevant Owner, the Trustees, the Subordination Agent and the Loan Trustee with respect to each Aircraft (each, a **“Participation Agreement”**), the Trusts will purchase from such Owner the related Equipment Notes to be issued under the related Indenture. Equipment Notes will be issued in two series with respect to each Aircraft: the **“Series A Equipment Notes”** and the **“Series B Equipment Notes”**, collectively, the **“Equipment Notes”**). The Owners may elect to issue a third series of Equipment Notes with respect to an Aircraft on the Issuance Date or at any time thereafter (the **“Series C Equipment Notes”**) which will be funded from sources other than this offering and will be subordinated in right of payment to the Equipment Notes. In addition, an Owner may elect to issue one or more series of Additional Equipment Notes with respect to an Aircraft at any time (including the issuance of Additional Equipment Notes of the same series designation as previously issued Additional Equipment Notes that have been paid in full), which will be funded from sources other than this offering and will be subordinated in right of payment to the Equipment Notes. See *“Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates.”* The Equipment Notes with respect to each Aircraft will be issued under a separate indenture and security agreement (each, an **“Indenture”**) between the applicable Owner and Wilmington Trust Company, as loan trustee thereunder (each, a **“Loan Trustee”**). The Equipment Notes issued by an Owner will be direct obligations of such Owner.

The Owner with respect to an Aircraft will lease such Aircraft to LATAM pursuant to a separate finance lease agreement between such Owner and LATAM (each, a **“Lease”**). Under each Lease, LATAM will be obligated to make rental and other payments to the applicable Owner in U.S. dollars. The payments in U.S. dollars required to be made by LATAM under the Lease for each Aircraft will be in amounts sufficient to pay in full when due all payments required to be made with respect to the Equipment Notes issued with respect to such Aircraft. However, if LATAM fails to make such payments, an Indenture Event of Default might occur. See *“Risk Factors—Risk Factors relating to the Certificates and the Offering—Recourse against the Owners is limited, and payments by LATAM under the Leases may not be sufficient to pay all of their obligations.”* The Equipment Notes issued with respect to the Aircraft are not direct obligations of, or guaranteed by, LATAM. LATAM’s obligations under each Lease will be general obligations of LATAM.

Subordination

The following subordination provisions will be applicable to the Equipment Notes issued under the Indentures:

- the indebtedness evidenced by the Series B Equipment Notes issued under an Indenture will be, to the extent and in the manner provided in such Indenture, subordinate and subject in right of payment to the Series A Equipment Notes issued under such Indenture.
- if the Owners issue any Series C Equipment Notes under an Indenture, the indebtedness evidenced by such Series C Equipment Notes will be, to the extent and in the manner provided in such Indenture, subordinate and subject in right of payment to the Series A Equipment Notes and the Series B Equipment Notes issued under such Indenture (see “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates*”);
- if the Owners issue any series of Additional Equipment Notes under an Indenture, the indebtedness evidenced by such series of Additional Equipment Notes will be, to the extent and in the manner provided in such Indenture (as may be amended in connection with any issuance of such Additional Equipment Notes), subordinate and subject in right of payment to the Series A Equipment Notes, the Series B Equipment Notes and the Series C Equipment Notes, if any, issued, and, if applicable, any previously or concurrently issued series of Additional Equipment Notes ranking senior to such series of Additional Equipment Notes, in each case, under such Indenture (see “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates*”); and
- the indebtedness evidenced by the Series A Equipment Notes, the Series B Equipment Notes and any Series C Equipment Notes or Additional Equipment Notes issued under an Indenture will be, to the extent and in the manner provided in the other Indentures, subordinate and subject in right of payment under such other Indentures to the Equipment Notes issued under such other Indentures. (Indentures, Section 2.13(a))

By the acceptance of its Equipment Notes of any series issued under any Indenture, each holder of such series of Equipment Notes (each, a “**Noteholder**”) will agree that:

- if such Noteholder, in its capacity as a Noteholder under such Indenture, receives any payment or distribution under such Indenture that it is not entitled to receive under the provisions of such Indenture, it will hold any amount so received in trust for the Loan Trustee under such Indenture and forthwith turn over such amount to such Loan Trustee in the form received to be applied as provided in such Indenture; and
- if such Noteholder, in its capacity as a Noteholder under any other Indenture, receives any payment or distribution in respect of Equipment Notes of any series issued under such other Indenture that it is not entitled to receive under the provisions of such other Indenture, it will hold any amount so received in trust for the Loan Trustee under such other Indenture and forthwith turn over such amount to such Loan Trustee under such other Indenture in the form received to be applied as provided in such other Indenture. (Indentures, Section 2.13(c))

By acceptance of its Equipment Notes of any series under any Indenture, each Noteholder of such series will also:

- agree to and will be bound by the subordination provisions in such Indenture;
- authorize and direct the Loan Trustees under all Indentures on such Noteholder’s behalf to take any action necessary or appropriate to effectuate the subordination as provided in such Indenture; and
- if such Noteholder, in its capacity as a Noteholder under any other Indenture, receives any payment or distribution in respect of Equipment Notes of any series issued under such other Indenture that it is not entitled to receive under the provisions of such other Indenture, it will hold

appoint the Loan Trustees under all Indentures as such Noteholder's attorney-in-fact for such purpose. (Indentures, Section 2.13(a))

By virtue of the Intercreditor Agreement, all of the Equipment Notes held by the Subordination Agent will be effectively cross-subordinated. This means that payments received on a junior series of Equipment Notes issued in respect of one Aircraft may be applied in accordance with the priority of payment provisions set forth in the Intercreditor Agreement to make distributions on a more senior class of Certificates. (Intercreditor Agreement, Section 3.02)

During the existence of an Indenture Event of Default, if the Equipment Notes under the relevant Indenture have become due and payable in full as described in "*—Remedies*," then after payment in full of: first, the persons indemnified under "*—Indemnification*" and certain other expenses with respect to such Indenture; second, the Series A Equipment Notes under such Indenture; third, the Series B Equipment Notes under such Indenture; fourth, if applicable, any Series C Equipment Notes under such Indenture; and, if applicable, fifth, any Additional Equipment Notes under such Indenture; any excess proceeds will be available to pay certain indemnity and expense obligations with respect to Equipment Notes issued under other Indentures and held by the Subordination Agent ("**Related Equipment Notes**"). After payment in full of such indemnity and expense obligations, any remaining excess proceeds will be available to pay any shortfalls then due in respect of Related Equipment Notes under which either (i) a default of the type described in the first clause under "*—Indenture Events of Default, Notice and Waiver*" has occurred and is continuing, whether or not the applicable grace period has expired, or (ii) an Indenture Event of Default not described in the preceding clause (i) has occurred and is continuing and either (x) the Equipment Notes under the relevant Indenture have become due and payable and the acceleration has not been rescinded or (y) the relevant Loan Trustee has notified the relevant Owner that it intends to exercise remedies under such Indenture (see "*—Remedies*") in the following order of priority: first, to Series A Equipment Notes, Series B Equipment Notes and, if applicable, the Series C Equipment Notes, and, if applicable, the Additional Equipment Notes, ratably as to each such series; and second, in the absence of any such shortfall, such excess proceeds, if any, will be held by the relevant Loan Trustee as additional collateral for such Related Equipment Notes (see "*—Security*"). (Indentures, Section 3.03)

Principal and Interest Payments

Subject to the provisions of the Intercreditor Agreement, interest paid on the Equipment Notes held in each Trust will be passed through to the Certificateholders of such Trust on the dates and at the rate per annum set forth on the cover page of this offering memorandum with respect to Certificates issued by such Trust (subject to the potential increase or decrease in the rate for the Certificates and the related Equipment Notes, as described under "*Exchange Offer; Registration Rights*") until the final expected Regular Distribution Date for such Trust. Subject to the provisions of the Intercreditor Agreement, principal paid on the Equipment Notes held in each Trust will be passed through to the Certificateholders of such Trust in scheduled amounts on the dates set forth herein until the final expected Regular Distribution Date for such Trust.

Interest will be payable on the unpaid principal amount of each issued and outstanding Equipment Note at the rate applicable to such Equipment Note on February 15, May 15, August 15 and November 15 of each year, commencing on the first such date to occur after initial issuance thereof. Interest on the Equipment Notes will be computed on the basis of a 360-day year of twelve 30-day months. Overdue amounts of principal and (to the extent permitted by applicable law) Make-Whole Amount, if any, interest and any other amounts payable under each series of Equipment Notes will bear interest, payable on demand, at the interest rate that is the lesser of (i) the interest applicable to such series of Equipment Notes plus 1% and (ii) the maximum rate permitted by applicable law. (Indentures, Section 2.01)

Scheduled principal payments on the Series A Equipment Notes and Series B Equipment Notes will be made on February 15, May 15, August 15 and November 15 of each year, commencing on May 15, 2016, and ending on November 15, 2027, in the case of the Series A Equipment Notes and November 15, 2023, in the case of the Series B Equipment Notes. See "*Description of the Certificates—Pool Factors*" for a discussion of the scheduled payments of principal of the Equipment Notes and possible revisions thereto.

If any date scheduled for a payment of principal, Make-Whole Amount or interest with respect to the Equipment Notes is not a Business Day, such payment will be made on the next succeeding Business Day, without any additional interest.

Each Owner is also required to pay under each Indenture to which it is a party such Indenture's *pro rata* share of the fees, the interest payable on drawings under each Liquidity Facility in excess of earnings on cash deposits from such drawings plus certain other amounts and certain other payments due to the Liquidity Provider under each Liquidity Facility and of compensation and certain expenses payable to the Subordination Agent. (Indentures, Section 2.14)

The date on which payments of scheduled interest and principal on any Series C Equipment Notes, if issued, will commence will be set forth in such Series C Equipment Notes.

Redemption

If an Event of Loss occurs with respect to an Aircraft under any Indenture, the Equipment Notes issued with respect to such Aircraft will be redeemed, in whole, in each case at a price equal to 100% of the unpaid principal thereof, together with all accrued and unpaid interest thereon to (but excluding) the date of redemption and all other obligations owed or then due and payable to the holders of the Equipment Notes under such Indenture, but without premium. (Indentures, Section 2.10)

If certain illegality events or circumstances occur with respect to any Lease of an Aircraft, the Equipment Notes issued with respect to such Aircraft and all other similarly affected Aircraft may be redeemed prior to maturity at the option of LATAM under the applicable Lease; *provided* that all outstanding Equipment Notes issued with respect to all other Aircraft also affected by such events or circumstances are simultaneously redeemed. See "*Certain Provisions of the Leases—Termination Events*" below. The redemption price in the case of any such redemption will be equal to 100% of the unpaid principal thereof, together with all accrued and unpaid interest thereon to (but excluding) the date of redemption and all other obligations owed or then due and payable to the holders of the Equipment Notes under such Indenture, but without premium. (Indentures, Section 2.10)

All of the outstanding Equipment Notes issued with respect to an Aircraft may be redeemed prior to maturity at any time, at the option of the applicable Owner, including in cases where LATAM has elected to purchase the applicable Aircraft; *provided* that all outstanding Equipment Notes issued with respect to all other Aircraft are simultaneously redeemed. (See "*Certain Provisions of the Leases—Purchase Options*" below) In addition, an Owner may elect to redeem the outstanding Series B Equipment Notes or any Series C Equipment Notes, if issued, or any series of Additional Equipment Notes, if issued, in connection with a re-issuance of such series. See "*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates*". The redemption price in the case of any optional redemption of outstanding Equipment Notes under any Indenture will be equal to 100% of the unpaid principal thereof, together with all accrued and unpaid interest thereon to (but excluding) the date of redemption and all other obligations owed or then due and payable to holders of the Equipment Notes issued under such Indenture, plus a Make-Whole Amount (if any). (Indentures, Section 2.11)

Notice of any such redemption will be given by the Loan Trustee to each holder of the Equipment Notes to be redeemed not less than 15 nor more than 60 days prior to the applicable redemption date. A notice of redemption may be revoked by written notice from the applicable Owner to the Loan Trustee given no later than three days prior to the redemption date. (Indentures, Section 2.12(b))

"Make-Whole Amount" means with respect to any Equipment Note, the amount (as determined by an independent investment banker selected by LATAM, if any, by which (i) the present value of the remaining scheduled payments of principal and interest from the redemption date to maturity of such Equipment Note computed by discounting each such payment on a semiannual basis from its respective payment date (assuming a 360-day year of twelve 30-day months) using a discount rate equal to the Treasury Yield plus 0.30% in the case of the Series A Equipment Notes and 0.45% in the case of the Series B Equipment Notes, exceeds (ii) the outstanding principal amount of such Equipment Note plus accrued but unpaid interest thereon to the date of redemption. (Indentures, Annex A)

For purposes of determining the Make-Whole Amount, **"Treasury Yield"** means, at the date of determination, the interest rate (expressed as a semiannual equivalent and as a decimal rounded to the number of decimal places as appears in the interest rate applicable to the relevant Equipment Note and, in the case of United States Treasury bills,

converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date and trading in the public securities market either as determined by interpolation between the most recent weekly average constant maturity, non-inflation-indexed series yield to maturity for two series of United States Treasury securities, trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date and (B) the other maturing as close as possible to, but later than, the Average Life Date, in each case as reported in the most recent H.15(519) or, if a weekly average constant maturity, non-inflation-indexed series yield to maturity for United States Treasury securities maturing on the Average Life Date is reported in the most recent H.15(519), such weekly average yield to maturity as reported in such H.15(519). **“H.15(519)”** means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System. The date of determination of a Make-Whole Amount shall be the third Business Day prior to the applicable redemption date and the **“most recent H.15(519)”** means the latest H.15(519) published prior to the close of business on the third Business Day prior to the applicable redemption date. (Indentures, Annex A).

“Average Life Date” for each Equipment Note to be redeemed shall be the date which follows the redemption date by a period equal to the Remaining Weighted Average Life at the redemption date of such Equipment Note. **“Remaining Weighted Average Life”** of an Equipment Note, at the redemption date of such Equipment Note, shall be the number of days equal to the quotient obtained by dividing: (i) the sum of the products obtained by multiplying (A) the amount of each then remaining installment of principal, including the payment due on the maturity date of such Equipment Note, by (B) the number of days from and including the redemption date to but excluding the scheduled payment date of such principal installment by (ii) the then unpaid principal amount of such Equipment Note. (Indentures, Annex A)

Security

Aircraft

The Equipment Notes issued under any Indenture will be secured by a security interest in, among other things, the Aircraft subject to the lien of such Indenture and each Aircraft subject to the liens of the other Indentures, as well as an assignment for security purposes to the Loan Trustee of certain of LATAM’s warranty rights under its purchase agreement with Airbus or Boeing, as applicable. (Indentures, Granting Clause). The Equipment Notes issued with respect to each Aircraft will also be secured by:

- either a Chilean or Brazilian law mortgage on such Aircraft, depending on the jurisdiction of registration of such Aircraft, which shall be granted by the applicable Owner to the relevant Loan trustee;
- all hull total loss insurance proceeds with respect to such Aircraft;
- an assignment to the relevant Loan Trustee of all rights and interests in each Lease and each Sublease, as appropriate and, in respect of certain of LATAM’s rights under warranties with respect to each Aircraft, by arrangements with the relevant manufacturers;
- a Cayman law pledge over the shares of each Owner pursuant to an Owner Share Pledge; and
- the Call Option over the shares of each Owner pursuant to the Call Agreements.

LATAM expects to sublease five of the A321-200 Aircraft and both A350-900 Aircraft to TLA (each, a **“Subleased Aircraft”**) pursuant to a sublease substantially in the form attached to the Note Purchase Agreement (each, a **“Sublease”**). Each Subleased Aircraft will be registered in Brazil, and LATAM’s rights as sublessor thereunder will be assigned as security to the relevant Loan Trustee. The “international interests” created by each Sublease, the assignment of each Sublease to the relevant Loan Trustee and the mortgage on each Subleased Aircraft are required to be registered under the Cape Town Treaty.

Since the Equipment Notes are cross-collateralized, any proceeds from the sale of any Aircraft by the Loan Trustee or other exercise of remedies under the related Indenture following an Indenture Event of Default under such Indenture will (subject to the provisions of relevant bankruptcy and insolvency legislation) be available for

application to shortfalls with respect to the Equipment Notes issued under the other Indentures and the other obligations secured by the other Indentures that are due at the time of such application, as described under “—*Subordination*” above. In the absence of any such shortfall at the time of such application, excess proceeds will be held by the Loan Trustee under such Indenture as additional collateral for the Equipment Notes issued under each of the other Indentures and will be applied to the payments in respect of the Equipment Notes issued under such other Indentures as they come due. However, if an Equipment Note ceases to be held by the Subordination Agent (as a result of sale upon the exercise of remedies by the Controlling Party or otherwise), such Equipment Note will cease to be entitled to the benefits of cross-collateralization. (Indentures, Section 3.03)

If the Equipment Notes issued under any Indenture are repaid in full in the case of an Event of Loss or an illegality event with respect to such Aircraft, the lien on such Aircraft under such Indenture will be released. (Indentures, Section 10.01) At any time on or after the latest final maturity date of the Equipment Notes issued in respect of an Aircraft, if all obligations secured under all of the Indentures that are then due have been paid, the lien on such Aircraft will be released and such Aircraft will cease to be included in the collateral pool. (Indentures, Section 10.01) Once the lien on any Aircraft is released, such Aircraft will no longer secure the amounts that may be owed under any Indenture.

Equipment Note Guarantees

Each Owner will guarantee the obligations of each other Owner relating to the Equipment Notes issued by such other Owner.

Independent Directors

Each Owner’s Board will contain at least one Independent Director. Certain significant actions or proceedings of the Owners, such as insolvency proceedings, the winding up or dissolution of the Owners, amendments to the Owners’ organizational documents, amalgamations or mergers or sales of any asset of the Owners (other than the disposition of any engine or aircraft or part thereof that is permitted under the transaction documents), may only be approved by a unanimous vote of all directors. An “**Independent Director**” means a person who, at any time during such person’s tenure as director or during the five years preceding such person’s appointment as director (i) does not have and is not committed to acquire any direct or indirect financial, legal or beneficial interest in the Owner or LATAM and is not a creditor, supplier, family member, manager, contractor, shareholder, director, officer, employee, subsidiary or affiliate of the Owner or LATAM, (ii) is not connected with the Owner, LATAM or any creditor, supplier, family member, manager, contractor, shareholder, director, officer, employee, subsidiary or affiliate of LATAM, (iii) is not, and has not been on the board of directors of and does not control (directly, indirectly or otherwise) LATAM or any of its affiliates (except in the capacity of Independent Director of LATAM).

Cash

Cash, if any, held from time to time by the relevant Loan Trustee with respect to any Aircraft, including funds held as the result of an Event of Loss to such Aircraft, will be invested and reinvested by such Loan Trustee, at the direction of LATAM, in investments described in the related Indenture. (Indentures, Section 5.06)

Loan to Value Ratios of Equipment Notes

The tables in Appendix IV to this offering memorandum set forth the LTVs for the Series A Equipment Notes and Series B Equipment Notes to be issued in respect of each Aircraft as of (i) May 15, 2016, assuming such Aircraft has been subjected to the related Indenture and each Trust has purchased the applicable Equipment Notes as of May 15, 2016 (the first Regular Distribution Date that occurs after all Aircraft are expected to have been financed pursuant to this offering) and (ii) each Regular Distribution Date thereafter. With respect to each Aircraft, the LTVs for any date prior to May 15, 2016 are not included because May 15, 2016 is the first Regular Distribution Date to occur after all Aircraft are expected to have been financed pursuant to this offering.

The LTVs for each Regular Distribution Date listed in the tables in Appendix IV were obtained by dividing (i) the outstanding principal amount (assuming no payment default, purchase or early redemption) of such Equipment Notes, plus in the case of the Series B Equipment Notes, the outstanding balance of the Series A Equipment Notes assumed to be issued and outstanding under the relevant Indenture, determined immediately after giving effect to the

payments scheduled to be made on each such Regular Distribution Date by (ii) the assumed aircraft value (the “**Assumed Aircraft Value**”) on such Regular Distribution Date, calculated based on the Depreciation Assumption, of the Aircraft with respect to which such Equipment Notes were assumed to be issued and outstanding.

The tables in Appendix IV are based on the assumption (the “**Depreciation Assumption**”) that the Assumed Aircraft Value of each Aircraft depreciates annually by approximately 3% of the appraised value at delivery per year for the first 15 years after delivery of such Aircraft by the applicable Manufacturer. With respect to each Aircraft, the appraised value at delivery of such Aircraft is the theoretical value that, when depreciated from the initial delivery of such Aircraft by the manufacturer in accordance with the Depreciation Assumption, results in the appraised value of such Aircraft specified under “*Summary—Equipment Notes, the Leases and the Aircraft*” and “*Description of the Aircraft and the Appraisals—The Appraisals*.”

Other rates or methods of depreciation could result in materially different LTVs, and no assurance can be given (i) that the depreciation rate and method assumed for the purposes of the tables are the ones most likely to occur or (ii) as to the actual future value of any Aircraft. Thus, the tables should not be considered a forecast or prediction of expected or likely LTVs, but simply a mathematical calculation based on one set of assumptions. See “*Risk Factors—Risk Factors Relating to the Certificates and the Offering—The Appraisals are only estimates of Aircraft value*.”

Limitation of Liability

Except as otherwise provided in the Indentures, no Loan Trustee, in its individual capacity, will be answerable or accountable under the Indentures or under the Equipment Notes under any circumstances except, among other things, for its own wilful misconduct or negligence. (Indentures, Section 6.01)

Indenture Events of Default, Notice and Waiver

“**Indenture Events of Default**” under each Indenture will include:

- the failure by the applicable Owner to pay any interest, principal or Make-Whole Amount (if any) within 15 days after the same has become due on any Equipment Note;
- the failure by the applicable Owner to pay any amount (other than interest, principal or Make-Whole Amount (if any)) when due under the Indenture, any Equipment Note or any other related Financing Agreement for more than 30 days after such Owner receives written notice from the Loan Trustee or any Noteholder under such Indenture;
- the occurrence of a Lease Event of Default under the related Lease;
- the failure by the applicable Owner to perform or observe any other covenant, condition or agreement to be performed or observed by it under any related Financing Agreement that continues for a period of 60 days after such Owner receives written notice from the Loan Trustee or any Noteholder under such Indenture; *provided* that, if such failure is capable of being remedied, no such failure will constitute an Indenture Event of Default for a period of one year after such notice is received by such Owner so long as such Owner is diligently proceeding to remedy such failure;
- any representation or warranty made by the applicable Owner or LATAM in the related Financing Agreements proves to have been incorrect in any material respect when made, and such incorrectness continues to be material to the transactions contemplated by the Indenture and remains unremedied for a period of 60 days after LATAM or such Owner receives written notice from the Loan Trustee or any Noteholder under such Indenture; *provided* that, if such incorrectness is capable of being remedied, no such incorrectness will constitute an Indenture Event of Default for a period of one year after such notice is received by LATAM or such Owner so long as LATAM or such Owner is diligently proceeding to remedy such incorrectness;

- the occurrence of certain events of bankruptcy, reorganization or insolvency of the applicable Owner; or
- the occurrence and continuance of an “Indenture Event of Default” under any other Indenture, but only if, as of any date of determination, all Equipment Notes issued and outstanding under such other Indenture are held by the Subordination Agent under the Intercreditor Agreement;

provided that notwithstanding anything to the contrary set forth in the foregoing, any failure of LATAM to perform or observe any covenant, condition or agreement shall not constitute an Event of Default if such failure arises by reason of an event referred to in the definition of “Event of Loss” so long as LATAM is continuing to comply with all of the terms set forth under “—*Certain Provisions of the Leases—Events of Loss.*” (Indentures, Section 4.01)

Each Indenture provides that the holders of a majority in aggregate unpaid principal amount of the Equipment Notes outstanding under such Indenture, by written instruction to the Loan Trustee, may on behalf of all of the Noteholders waive any past default and its consequences under such Indenture, except a default in the payment of the principal of, Make-Whole Amount (if any) or interest due under any such Equipment Notes outstanding (other than with the consent of the holder thereof) or a default in respect of any covenant or provision of such Indenture that cannot be modified or amended without the consent of each such affected Noteholder. (Indentures, Section 4.05) This provision, among others, is subject to the terms of the Intercreditor Agreement.

An “**Indenture Default**” means any condition, circumstance, act or event that, with the giving of notice, the lapse of time or both, would constitute an Indenture Event of Default.

Remedies

The exercise of remedies under the Indentures will be subject to the terms of the Intercreditor Agreement, and the following description should be read in conjunction with “*Description of the Intercreditor Agreement.*”

If an Indenture Event of Default occurs and is continuing under an Indenture, the related Loan Trustee may, and upon receipt of written instructions of the holders of a majority in principal amount of the Equipment Notes then outstanding under such Indenture will, declare the principal amount of all such Equipment Notes issued thereunder immediately due and payable, together with all accrued but unpaid interest thereon (but without any Make-Whole Amount). If certain events of bankruptcy or insolvency occur with respect to the applicable Owner or LATAM, such amounts shall, subject to applicable law, become due and payable without any declaration or other act on the part of the related Loan Trustee or holders of Equipment Notes. The holders of a majority in principal amount of Equipment Notes outstanding under an Indenture may rescind any declaration of acceleration of such Equipment Notes if (i) there has been paid to or deposited with the related Loan Trustee an amount sufficient to pay all overdue installments of principal and interest on any such Equipment Notes, and all other amounts due thereunder, that have become due otherwise than by such declaration of acceleration and (ii) all other Indenture Events of Default, other than nonpayment of principal amount or interest on the Equipment Notes that have become due solely because of such acceleration, have been cured or waived; *provided* that no such rescission or annulment will extend to or affect any subsequent default or Indenture Event of Default or impair any right consequent thereon. (Indentures, Sections 4.02(a) and (d))

Each Indenture provides that, if an Indenture Event of Default under such Indenture has occurred and is continuing, the related Loan Trustee may exercise certain rights or remedies available to it under such Indenture or under applicable law. Such remedies include the right to take possession of the Aircraft and to sell all or any part of the Airframe or any Engine comprising the Aircraft subject to such Indenture. (Indentures, Section 4.02(a)) See “*Description of the Intercreditor Agreement—Intercreditor Rights—Limitation on Exercise of Remedies.*”

In certain circumstances following the bankruptcy or insolvency of an Owner or LATAM where the obligations of such Owner or LATAM with respect to any Indenture exceed the value of the Collateral under such Indenture, post-petition interest may not accrue on the related Equipment Notes. In addition, to the extent that distributions are made to any Certificateholders, whether under the Intercreditor Agreement or from drawings on the Liquidity Facilities, in respect of amounts that would have been funded by post-petition interest payments on such Equipment Notes had such payments been made, there would be a shortfall between the claim allowable against such Owner or LATAM in respect of such Equipment Notes after the disposition of the Collateral securing such Equipment Notes and the

remaining balance of the Certificates. Such shortfall would first reduce some or all of the remaining claim against such Owner or LATAM available to the Trustees for the most junior classes.

If an Indenture Event of Default under any Indenture occurs and is continuing, any sums held or received by the related Loan Trustee may be applied to reimburse such Loan Trustee for any tax, expense or other loss incurred by it and to pay any other amounts due to such Loan Trustee prior to any payments to holders of the Equipment Notes issued under such Indenture. (Indentures, Section 3.03)

“Financing Agreements” means, with respect to any Indenture, such Indenture, the Equipment Notes issued thereunder, the related Participation Agreement, the related Lease and other transaction documents referred to in such Indenture. (Indentures, Annex A)

Modification of Indentures and Financing Agreements

Without the consent of holders of a majority in principal amount of the Equipment Notes outstanding under any Indenture, the provisions of such Indenture the related Equipment Notes, Participation Agreement and Lease may not be amended or modified, except to the extent indicated below. (Indentures, Section 9.01(a))

Any Financing Agreement and any Equipment Notes may be amended without the consent of any Noteholder or any other beneficiaries of the security under such Indenture to, among other things, (i) evidence the succession of another person to LATAM and the assumption by any such successor of the covenants of LATAM contained in such Indenture and any of the other related Financing Agreements; (ii) cure any defect or inconsistency in any Indenture, the Equipment Notes issued thereunder or any other Financing Agreement, or make any change not inconsistent with the provisions of such Indenture (*provided* that such change does not adversely affect the interests of any Noteholder or any other beneficiary of the security under such Indenture in its capacity solely as Noteholder or other beneficiary of the security under such Indenture, as the case may be); (iii) cure any ambiguity or correct any mistake; (iv) evidence the succession of another party as an Owner or Loan Trustee in accordance with the terms of such Indenture or evidence the succession of a new trustee or securities intermediary or the removal of a trustee, or facilitate the appointment of any co-trustee or co-trustees or any separate or additional trustee or trustees pursuant to such Indenture; (v) convey, transfer, assign, mortgage or pledge any property to or with the Loan Trustee of such Indenture; (vi) make any other provisions with respect to matters or questions arising under such Indenture, such Equipment Notes or the other Financing Agreements, *provided* that such action does not adversely affect the interests of any Noteholder in its capacity solely as Noteholder; (vii) correct or amplify the description of any property at any time subject to the lien of such Indenture or better assure, convey and confirm unto the Loan Trustee any property subject or required to be subject to the lien of such Indenture, or subject to the lien of such Indenture the applicable Airframe or Engines or any replacement Engine; (viii) add to the covenants of the related Owner for the benefit of the Noteholders or surrender any rights or powers conferred upon LATAM or the Owner under such Indenture; (ix) add to rights of the Noteholders; (x) include on the Equipment Notes under such Indenture any legend as may be required by law or as may otherwise be necessary or advisable; (xi) comply with any applicable requirements of the Trust Indenture Act or any other requirements of applicable law or of any regulatory body; (xii) give effect to the replacement of a Liquidity Provider with a replacement liquidity provider and the replacement of a Liquidity Facility with a Replacement Facility and, if a Replacement Facility is to be comprised of more than one instrument, incorporate appropriate mechanics for multiple liquidity facilities for the applicable Trust; (xiii) give effect to the replacement of the Depositary with a Replacement Depositary and the agreements related thereto; (xiv) evidence the succession of a new escrow agent or a new paying agent under the Escrow Agreements pursuant thereto or the removal of the Escrow Agent or the Paying Agent thereunder; or (xv) provide for the issuance, in connection with a refinancing or reissuance, of Series B Equipment Notes or Series C Equipment Notes, if issued, or the issuance or successive redemption and issuance or reissuance from time to time of Series C Equipment Notes or one or more series of Additional Equipment Notes and for the issuance of pass through certificates by any pass through trust that acquires any such Series B Equipment Notes, Series C Equipment Notes or Additional Equipment Notes, and make changes relating to any of the foregoing (including, without limitation, to provide for any prefunding mechanism in connection therewith), and provide for any credit support for any pass through certificates relating to any such Series B Equipment Notes, Series C Equipment Notes or Additional Equipment Notes (including, without limitation, to secure claims for fees, interest, expenses, reimbursement of advances and other obligations arising from such credit support (including, without limitation, to specify such credit support as a “Liquidity Facility” and the provider of any such credit support as a “Liquidity Provider” and, if such Liquidity Facility is to be comprised of more than one instrument, to incorporate appropriate mechanics for multiple liquidity

facilities for a single pass through trust)); *provided* that such Series B Equipment Notes, Series C Equipment Notes or Additional Equipment Notes, as the case may be, are issued in accordance with the Note Purchase Agreement, the applicable Participation Agreement and the Intercreditor Agreement. See “*Possible Issuance of Class C Certificates, Additional Certificates and Refinancing Certificates.*” (Indentures, Section 9.01(c))

Each Indenture provides that without the consent of the holder of each Equipment Note outstanding under such Indenture affected thereby, no amendment or modification of such Indenture may, among other things: (i) reduce the principal amount of, Make-Whole Amount (if any) or interest payable on any Equipment Notes issued under such Indenture; (ii) change the date on which any principal amount of, Make-Whole Amount (if any) or interest payable on any Equipment Note is due or payable; (iii) reduce, modify or amend any indemnities in favor of the related Loan Trustee or the Noteholders; (iv) permit the creation of any lien with respect to the Collateral subject to the lien of such Indenture prior to or *pari passu* with the lien of such Indenture, except as permitted by such Indenture, or deprive any holder of an Equipment Note issued under such Indenture of the benefit of the lien of such Indenture upon the related Collateral, except as provided in connection with the exercise of remedies under such Indenture, *provided* that, without the consent of each holder of an affected Related Equipment Note then outstanding, no such amendment, waiver or modification of terms of, or consent under, any thereof shall modify the payment priorities after an Indenture Event of Default set forth in such Indenture or deprive any holder of a Related Equipment Note of the benefit of the lien of such Indenture upon the related Collateral, except as provided in connection with the exercise of remedies under such Indenture; or (v) reduce the percentage in principal amount of outstanding Equipment Notes issued under such Indenture required to take or approve any action under such Indenture. (Indentures, Section 9.01(b))

Certain Provisions of the Leases

Each 2015 Wide Body Aircraft will be owned by the 2015 WB Owner and leased to LATAM pursuant to the applicable Lease. Each 2015 Narrow Body Aircraft will be owned by the 2015 NB Owner and leased to LATAM pursuant to the applicable Lease. Each 2016 Wide Body Aircraft will be owned by the 2016 WB Owner and leased to LATAM pursuant to the applicable Lease. Each 2016 Narrow Body Aircraft will be owned by the 2016 NB Owner and leased to LATAM pursuant to the applicable Lease. LATAM expects to sublease five Airbus A321-200 Aircraft and both Airbus A350-900 Aircraft (the “**Subleased Aircraft**”) to TLA upon delivery of such Aircraft pursuant to an operating Sublease which is subject and subordinate to the related Lease. All of the Aircraft are expected to be registered in Chile initially, except for the Subleased Aircraft, which are expected to be initially registered in Brazil.

Lease Term and Rentals

Each Aircraft will be leased to LATAM for an initial term commencing on the date on which such Aircraft is acquired by the applicable Owner from the applicable Manufacturer and expiring on the latest Equipment Note Maturity Date (as set forth in the table under “*Equipment Notes, the Leases and the Aircraft*”). The expiration of each Lease is subject to earlier termination in accordance with its terms, and LATAM has the right to purchase the related Aircraft prior to such expiration date. LATAM will not have a right to extend the Lease term for any Aircraft. (Leases, Sections 3(a), 3(e) and 5(a))

Rent under each Lease is payable by LATAM in U.S. dollars on each Basic Rent Payment Date. The basic rent payable in U.S. dollars under each Lease of an Aircraft due on each Basic Rent Payment Date will be calculated to be an amount sufficient to pay the scheduled principal amount of and accrued interest (including any change in the interest rate for the Equipment Notes, as described under “*Exchange Offer; Registration Rights*”) on the Equipment Notes relating to such Aircraft due on the Regular Distribution Date immediately succeeding such Basic Rent Payment Date. Each instalment of basic rent is required to be paid by LATAM directly to an account in the U.S. of the Loan Trustee with Wilmington Trust Company in payment of scheduled payments of principal and interest and other amounts due or expected to be due from the applicable Owner under the related Equipment Notes. (Leases, Sections 3(b) and (d))

“**Basic Rent Payment Date**” means, with respect to each Lease, each Regular Distribution Date under the Equipment Notes.

Net Lease; Maintenance

Under the terms of each Lease, LATAM's obligations in respect of the relevant Aircraft will be those of a lessee under a "net lease". Accordingly, LATAM is obligated under each Lease, among other things and at LATAM's cost and expense, to keep the relevant Aircraft duly registered and insured and to service, inspect, maintain, modify, store, repair and overhaul, so as to keep it in good operating and serviceable condition and repair, ordinary wear and tear excepted, and in such condition as necessary to enable all applicable airworthiness certifications for the Aircraft to be maintained in full force and effect and good standing at all times except when such Aircraft is undergoing certain service, maintenance, modification, overhaul, testing or repair as required or permitted under such Lease. (Leases, Sections 7(a), 7(c)(i) and (ii) and 11)

Possession, Subleasing and Transfer

Each Aircraft may be operated by LATAM or, subject to certain restrictions, by certain other persons. LATAM may transfer possession of any Aircraft or any airframe, engine or part comprising any Aircraft in connection with testing, service, repair or maintenance, or certain permitted modifications or alterations. LATAM may, subject to certain restrictions, subject any Aircraft to an interchange agreement with a Leasing Affiliate and may sublease any Aircraft to any Leasing Affiliate or certain permitted foreign air carriers. Any interchange agreement or sublease shall be expressly subject and subordinate to the terms of the Lease and the security documents and shall not affect the priority or perfection of the liens of the security documents or the rights of the applicable Owner or the Loan Trustee. In addition, any sublease or interchange shall be expressly terminable by LATAM at any time upon not more than ninety (90) days' prior written notice to the applicable sublessee or interchange counterparty. Such subleases and interchange agreements and the rights of the applicable Owner thereunder will be assigned as security for LATAM's obligations under the related Lease. LATAM is not restricted from amending, modifying or terminating any sublease or interchange agreement, including each Sublease, as it may deem appropriate in its sole discretion so long as the terms of such sublease or interchange agreement comply with the requirements of the related Lease. (Leases, Section 7(e))

Any lessee that is a permitted foreign air carrier may not be subject to insolvency or similar proceedings at the commencement of such sublease. (Leases, Section 7(e)(v)(17)). Permitted foreign air carriers are limited to those based in certain permitted jurisdictions, but those jurisdictions are not required to be party to the Cape Town Treaty. In the case of an Indenture Event of Default, the ability of the related Loan Trustee to realize upon its security interest in an Aircraft could be adversely affected as a legal or practical matter if such Aircraft were registered or located outside Chile, Brazil or the United States.

"Leasing Affiliate" means a subsidiary of LATAM or any other person controlled by LATAM, in each case that is, if the relevant person is the operator or proposed operator of the Aircraft, a commercial air carrier possessing at all times while the Aircraft is operated by such person, all necessary authorizations (including, without limitation, those required to operate the Aircraft), consents and licenses; *provided* that in no event shall any person be a Leasing Affiliate if such person is, at the time of the proposed entry into of any sublease or interchange: (i) insolvent, or (ii) located in a country subject to EU or UN sanctions. For the purposes of this definition, LATAM shall be deemed to "control" another person if:

- (a) LATAM possesses, directly or indirectly, the power to direct the management or policies of such other person whether through:
 - (i) the ownership of voting rights;
 - (ii) control of the board (including control of its composition) of the other person;
 - (iii) indirect control of (i) and (ii); or
- (b) such other person would, under relevant accounting principles, be consolidated or required to be consolidated for accounting purposes with LATAM.

LATAM expects to sublease five Airbus A321-200 Aircraft and both Airbus A350-900 Aircraft to the Sublessee (each, a "**Sublease**"). Each Sublease will be governed by New York law and will subject and subordinate to the

related Lease, and LATAM will remain primarily liable for all amounts owed under the related Lease. Each Sublease will be assigned as security for LATAM's obligations under the related Lease. Each Sublease will automatically terminate at any time the related Lease has been terminated and will also be terminable at any time upon 45 days prior notice to the Sublessee from LATAM (or the Loan Trustee pursuant to the Lease assignment). The Subleases shall contain no purchase option for TLA and are to be characterized as simple leases ("*arrendamento simples/aluguel*") for purposes of Brazilian law.

Registration

LATAM will be required at all times to cause each Aircraft to be duly registered in the name of the applicable Owner and operator with the relevant Aviation Authority. The relevant Aviation Authority will be the *Dirección General de Aeronáutica Civil* of Chile, except in respect of Subleased Aircraft, in which case it will be the *Agência Nacional de Aviação Civil* of Brazil. So long as no default or Lease Event of Default is continuing and subject to certain conditions, the Aircraft may also be registered with another Aviation Authority in connection with any re-registration in connection with a permitted sublease. LATAM shall ensure that such Aircraft is registered with the relevant Aviation Authority in the name of the applicable Owner, or if required by applicable law in the name of LATAM, as lessee, or any permitted sublessee as sublessee and noting the interest of the applicable Owner and the Loan Trustee to the extent permitted by applicable law. The conditions to any re-registration outside of Chile or Brazil include a requirement that an opinion of counsel be *provided* that the Loan Trustee will have a first priority lien on the Aircraft and the Lease. (Leases, Section 7(a) and (b))

LATAM shall file, register or record the Leases, Subleases, local law mortgages with respect to the Aircraft and certain other documents in Chile, or, in the case of the Subleased Aircraft, in Brazil, in each case to the extent necessary or advisable to ensure that the rights, title and interest of the Loan Trustee are appropriately established, protected and, to the extent possible, perfected under applicable Chilean or Brazilian law (or the law of any other jurisdiction in which an Aircraft is registered at such time). In furtherance of the foregoing, in the case of the Subleased Aircraft, LATAM is required to register the "international interests" or "assignments of international interest" created pursuant to each Sublease, Sublease assignment and each Brazilian law Aircraft mortgage under the Cape Town Treaty. (Participation Agreements, Section 3.01(u)) Such registrations with respect to each Aircraft will give the relevant Loan Trustee a first-priority, perfected security interest in such Aircraft under Chilean law or Brazilian law, as applicable. The Cape Town Treaty provides that a registered "international interest" has priority over a subsequently registered interest and with certain limited exceptions (including certain non-consensual rights and interests) over an unregistered interest for purposes of the law of those jurisdictions that have ratified the Cape Town Treaty. There are many jurisdictions in the world that have not ratified the Cape Town Treaty, including Chile, and although LATAM expects the Subleased Aircraft to be registered in Brazil, which has ratified the Cape Town Treaty, the Subleased Aircraft may be physically located in any other jurisdiction from time to time when performing international flights.

Liens

LATAM is required to maintain each Aircraft free of any liens, other than the respective rights of the relevant Loan Trustee, the holders of the related Equipment Notes, LATAM, the relevant Owner, and the Sublessee, as applicable, arising under the applicable Indenture, the applicable Lease, any applicable Sublease, or the other financing documents relating thereto, and other than certain limited liens permitted under such documents, including but not limited to (i) liens for fees or charges of any airport or air navigation authority not yet due and payable or which are being contested in good faith, on reasonable grounds and by appropriate proceedings so long as such Liens do not involve any material risk of the sale, seizure, forfeiture, detention or loss of the Aircraft, any part thereof, title thereto, or any interest therein or the use thereof (any of which a "**Lien Loss**"); (ii) liens for taxes either not yet overdue or being contested in good faith by appropriate proceedings that do not involve any material risk of Lien Loss and that do not involve any potential for criminal liability, and in the case of such proceedings so long as adequate reserves are maintained in respect of such taxes in accordance with applicable accounting principles; (iii) materialmen's, mechanics', workmen's, repairmen's, employees' or other like liens on the Aircraft, the airframe or any engine arising in the ordinary course of business for amounts the payment of which is either not yet due or which are being contested in good faith by appropriate proceedings that do not involve any material likelihood of Lien Loss and in the case of such proceedings so long as adequate reserves are maintained by the Lessee in respect of such amounts in accordance with applicable accounting principles; (iv) Liens arising out of judgments or awards with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith by appropriate

proceedings that do not involve any material likelihood of Lien Loss and in the case of such proceedings so long as an adequate bond to stay enforcement is in effect; and (v) salvage or similar rights of insurers under insurance policies maintained pursuant to and in accordance with the Lease. (Leases, Section 6)

Replacement of Parts; Alterations

LATAM is obligated, at its own cost and expense, to replace or cause to be replaced all parts that may from time to time be incorporated or installed in or attached to any Aircraft and which may from time to time become defective and not economically repairable, become time-expired or due for replacement, or worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason subject to the terms of the Leases (Leases, Section 8(a)). LATAM is obligated (subject to a right of LATAM to contest the validity or application of any such directives, service bulletins and modification), at its own cost and expense, to make such alterations, modifications and additions with respect to each Aircraft as may be required from time to time to comply with the directives, service bulletins and modification published (and of a mandatory nature) by the relevant Manufacturer, the Federal Aviation Authority or the relevant Aviation Authority. LATAM has the right, at its own cost and expense, to make such alterations, modifications and additions with respect to each Aircraft and Engine as it or any permitted sublessee may deem desirable in the proper conduct of its business and to remove parts which it deems to be obsolete or no longer suitable or appropriate for use, so long as such alteration, modification, addition or removal does not materially diminish the value, utility, remaining useful life, performance or operational characteristics, condition or airworthiness of the related Aircraft or Engine below that prior to such alteration, modification, addition or removal. (Leases, Section 8(d)). LATAM may, at any time, substitute an Engine with a replacement engine of the same or an improved model subject to certain conditions, including that (i) LATAM informs the Loan Trustee in writing and (ii) upon such substitution the replacement engine will be subject to the Lien of the relevant Indenture. (Leases, Section 9(b))

Insurance

LATAM is required to maintain, at its expense, all-risk aircraft hull insurance covering each Aircraft, at all times in an amount not less than 115% of the unpaid principal amount of the Equipment Notes relating to such Aircraft. For all insurance proceeds payable following the occurrence of an Event of Loss, such proceeds will be payable to the applicable Loan Trustee, for so long as the relevant Indenture shall be in effect. In the event of a partial loss involving insurance proceeds of up to U.S.\$2,000,000 per occurrence in the case of A321-200 Aircraft and U.S.\$5,000,000 per occurrence in the case of A350-900 Aircraft and Boeing 787-9 Aircraft, such proceeds will be payable directly to LATAM or the party nominated by LATAM to repair the damage. In the event of a partial loss involving insurance proceeds exceeding U.S.\$2,000,000 per occurrence in the case of A321-200 Aircraft or U.S.\$5,000,000 per occurrence in the case of A350-900 Aircraft and Boeing 787-9 Aircraft, LATAM shall promptly notify the Loan Trustee of such partial loss, and such proceeds will be payable directly to the party nominated by LATAM to repair the damage or to reimburse LATAM for the costs of such repair. (Leases, Sections 10(c) and (k))

In addition, LATAM is obligated to maintain comprehensive airline liability insurance at its expense covering such risks as are customarily insured against in respect of international aircraft operations, including general third-party legal liability, passenger liability, products liability and property damage (including cargo, baggage and mail liability) on terms substantially similar to the insurance LATAM carries on similar aircraft in its fleet. The amount of such liability insurance coverage per occurrence may not be less than U.S.\$750,000,000 in the case of A321-200 Aircraft and U.S.\$1,000,000,000 in the case of A350-900 Aircraft and Boeing 787-9 Aircraft. LATAM is also required to maintain war and allied perils and hijacking insurance, either in the commercial insurance market or with the government of the country in which an Aircraft is registered, to the extent such insurance is (i) maintained by LATAM for other aircraft owned or leased and operated by it, (ii) customarily obtained by air carriers with comparable route structures flying similar aircraft or (iii) generally required by financiers and lessors of similar aircraft being operated by air carriers with comparable route structures. LATAM may not self-insure other than in respect of insurance deductibles (which shall in no event be greater than U.S.\$750,000 in the case of A321-200 Aircraft and U.S.\$1,000,000 in the case of A350-900 Aircraft and Boeing 787-9 Aircraft). (Leases, Sections 10(b), (c) and (r))

In respect of each Aircraft, LATAM is required to name as additional insured parties the relevant Owner, the relevant Loan Trustee, the Subordination Agent, each Trustee and each Liquidity Provider under all liability insurance policies required with respect to such Aircraft, all in accordance with AVN67B. In addition, the insurance

policies will be required to provide that, in respect of the interests of such additional insured persons, the insurance shall not be invalidated or impaired by any act or omission of LATAM, any permitted lessee or any other person. (Leases, Section 10(b))

Events of Loss

If an Event of Loss occurs with respect to any Aircraft or any Airframe, LATAM will be required to pay to the relevant Owner an amount sufficient to pay in full the principal amount of the related Equipment Notes and all accrued and unpaid interest thereon as of the date of such payment for such Aircraft (the “**Note Value**”), together with all other amounts then due and unpaid under the Lease and the other operative documents with respect to such Aircraft, not later than the 90th day after the date on which the Event of Loss occurred. Upon the payment of the Note Value for such Aircraft together with all other amounts then due and unpaid with respect to such Aircraft, which must be at least sufficient to pay in full as of the date of payment the principal amount of the related Equipment Notes and all accrued and unpaid interest due thereon (together with all other amounts due with respect to such Equipment Notes), the security interests created by the relevant Indenture and the Lease relating to such Aircraft will terminate with respect to such Aircraft, LATAM’s obligation thereafter to make Rent payments with respect to such Lease will cease and the applicable Owner will transfer all of its right, title and interest in and to the related Aircraft to LATAM. (Indentures, Section 2.10; Leases, Section 9(a))

“**Event of Loss**” means, in relation to the Aircraft, the Airframe or any Engine, any of the following events:

- (i) the destruction of or damage to such property that renders repair uneconomic or that renders such property permanently unfit for normal use; or
- (ii) any damage or loss to or other circumstance in respect of such property that results in an insurance settlement with respect to such property on the basis of a total loss, or a constructive, compromised or arranged total loss; or
- (iii) the confiscation or nationalization of, or requisition of title to such property by any government body; or
- (iv) the theft, hijacking or disappearance of such property that shall have resulted in the loss of possession of such property by the Lessee (or a Permitted Sublessee) for a period in excess of sixty (60) days; or
- (v) grounding of the Aircraft or other prohibition on the operation or use of the Aircraft in the normal course of LATAM’s business for a period of one hundred twenty (120) consecutive days due to action by a government body; or
- (vi) the seizure of, sequestration of, condemnation, confiscation or taking of, or requisition for use of, such property by any government body that shall have resulted in the loss of possession of such property by the Lessee (or Permitted Sublessee) and such requisition for use shall have continued beyond the earlier of (A) sixty (60) days and (B) the date of receipt of insurance or condemnation proceeds with respect thereto.

An Event of Loss with respect to the Aircraft shall be deemed to have occurred if an Event of Loss occurs with respect to the Airframe. (Leases, Annex A)

An Event of Loss shall be deemed to have occurred:

- (a) in the case of an actual total loss, at 12 midnight (New York time) on the actual date the Aircraft was lost or, if such date is not known, 12 midnight (New York time) on the day on which the Aircraft was last heard from;
- (b) in the case of any of the events described in paragraph (i) of the definition of Event of Loss above (other than an actual total loss), upon the date of occurrence of such destruction, damage or rendering unfit;

- (c) in the case of any of the events described in paragraph (ii) of the definition of Event of Loss above (other than an actual total loss), the date and time at which either a total loss is subsequently admitted by the insurers or a competent court or arbitration tribunal issues a judgment to the effect that a total loss has occurred;
- (d) in the case of any of the events referred to in paragraph (iii) of the definition of Event of Loss above, upon the occurrence thereof; and
- (e) in the case of any of the events referred to in paragraphs (iv), (v) and (vi) of the definition of Event of Loss above, upon the expiration of the period of time specified therein.

Purchase Options

LATAM may elect to purchase the Aircraft subject to any Lease and terminate such Lease at any time, *provided* that LATAM simultaneously elects to exercise the corresponding purchase option in respect of all of the other Aircraft. (Leases, Section 5(a)(ii)) Upon any such purchase, LATAM shall pay in full an amount equal to the outstanding principal amount of the related Equipment Notes, all accrued and unpaid interest thereon as of such date of payment for such Aircraft and Make-Whole Amount (if any), together with all other amounts then due and unpaid under the Lease and the other operative documents with respect to such Aircraft (including, without limitation, all amounts owed by the Owner pursuant to the voluntary redemption provisions set forth in the Indenture); *provided* that LATAM shall simultaneously exercise the purchase option with respect to each other Aircraft pursuant to and in accordance with the analogous purchase option provision in each other Lease and, in connection therewith, pay in full all related secured obligations in respect of each other Aircraft. (Leases, Section 5(a)(ii)) If LATAM elects to exercise such purchase option, the Owners must redeem all of the Equipment Notes at a redemption price equal to 100% of the unpaid principal amount of the Equipment Notes, together with accrued and unpaid interest thereon to, but not including, the date of redemption, plus all other secured obligations owed or then due and payable to the Noteholders, plus the Make-Whole Amount, if any. (Indentures, Section 2.10) See “—Redemption.” Upon such payment, the relevant Owner will transfer all of its right, title and interest in the Aircraft to LATAM and the related Lease will terminate.

In addition, if any Lease has not been terminated, with not less than ninety (90) days prior written notice to the applicable Loan Trustee and Owner, LATAM will have the right on the expiry of the Lease term to purchase the Aircraft for a purchase price equal to the sum of \$100 plus the entire outstanding principal amount of the related Equipment Notes, all accrued and unpaid interest thereon as of such date of payment for such Aircraft and Make-Whole Amount (if any), together with all other amounts then due and unpaid under the Lease and the other operative documents with respect to such Aircraft; *provided* that LATAM must simultaneously exercise the same purchase option with respect to each other Aircraft pursuant to and in accordance with the analogous provision of each other Lease and, in connection therewith, has paid in full all related secured obligations with respect to each other Aircraft. Upon such payment, the relevant Owner will transfer all of its right, title and interest in the Aircraft to LATAM and the related Lease will terminate. (Leases, Sections 5(a) and (b)).

Lease Events of Default

There are cross-default provisions in each Lease. If there is an event of default under one of the Leases and remedies are exercisable with respect to the Aircraft under such Lease, an event of default will also occur under the other Leases and the Indentures and, in the case of a Subleased Aircraft, under the Subleases, and remedies will be exercisable with respect to all Aircraft under all Leases and Indentures and, if applicable, all Subleases.

Upon the termination of any Lease or the exercise of any remedies with respect to any Aircraft, the Loan Trustee acting at the direction of the Controlling Party will also have the right to terminate any Sublease or any other sublease or interchange of such Aircraft.

A “**Lease Event of Default**” includes:

- (i) failure by LATAM to pay any amount of basic rent within 15 Business Days after the due date;

- (ii) failure by LATAM to pay supplemental rent or any other amount due within 15 Business Days after receipt by LATAM of demand therefor;
- (iii) failure by LATAM to carry and maintain (or cause to be carried and maintained) insurance (including reinsurance) on or in respect of the relevant Aircraft in accordance with the provisions of such Lease;
- (iv) LATAM's default in the performance or observance, in any material respect, of any of its obligations, covenants or agreements (other than those referred to in (i) to (iii) above) to be performed or observed by it under the operative documents and such failure is unremediable or, if such default is remediable and LATAM is diligently proceeding to remedy such failure and such failure continues unremedied for a period of 60 days after notice from the applicable Owner or Loan Trustee, as the case may be; *provided* that if such failure is capable of being remedied, no such failure shall constitute a Lease Event of Default for a period of one year after such notice is received by LATAM so long as LATAM is diligently proceeding to remedy such failure;
- (v) any representation, warranty or certification made or deemed to be made by LATAM in or pursuant to any operative document is or proves to have been false or misleading in any material respect as of the time made or deemed made, repeated or furnished and such default is unremediable or, if such default is remediable, LATAM is diligently proceeding to remedy such default and such default continues unremedied for a period of 60 days after notice from the applicable Lessor or the Loan Trustee; *provided* that, if such false or misleading representation, warranty or certification is capable of being remedied, no such false or misleading representation, warranty or certification shall constitute a Lease Event of Default for a period of one year after such notice is received by LATAM so long as LATAM is diligently proceeding to remedy such failure;
- (vi) the occurrence of certain events of bankruptcy, reorganization or insolvency with respect to LATAM;
- (vii) LATAM suspends or ceases to be a commercial air carrier operating on international scheduled routes;
- (viii) LATAM fails to pay when due (after giving effect to any applicable grace periods) any principal instalment of or interest on any of its financial indebtedness (other than in connection with the Leases, the Equipment Notes and the Certificates) aggregating U.S.\$75,000,000 or more (or the equivalent thereof in any currency);
- (ix) A final judgment, or in the aggregate, judgments, for the payment of money in excess of U.S.\$75,000,000 (or the equivalent thereof in any currency) is rendered against LATAM and the same shall remain undischarged for a period of 30 calendar days during which neither execution of such judgment shall be effectively stayed nor adequate bonding fully covering such judgment shall exist;
- (x) an Indenture Event of Default occurs under the Indenture; and
- (xi) a Lease Event of Default occurs under any other Lease. (Leases, Section 13)

If a Lease Event of Default has occurred and is continuing, the remedies set forth in the Lease may be exercised by the applicable Lessor or the Loan Trustee, as assignee of such Lease, which include (i) the right to take court action to enforce performance by LATAM of its obligations and/or to recover damages for the breach, and (ii) the right to terminate the Lease and any Sublease or other subleases and repossess the Aircraft, whereupon LATAM shall be obliged to pay all rent that is accrued and due and payable at such time, which includes the full outstanding principal amount of the related Equipment Notes, all accrued and unpaid interest thereon as of such date of payment for such Aircraft and Make-Whole Amount (if any), together with all other amounts then due and unpaid under the Lease and the other operative documents with respect to such Aircraft, and the Aircraft may be sold at public auction or private

sale or otherwise. (Leases, Section 14) See also “*Description of the Equipment Notes—Indenture Events of Default, Notice and Waiver*”.

Termination Events

Under the terms of each Lease, LATAM will have the right to terminate the Lease if it makes a good faith determination that it would be unlawful in any applicable jurisdiction for Lessor to lease the Aircraft to LATAM or for LATAM to perform its obligations under the Lease or any related financing document; *provided* that LATAM must simultaneously exercise the same termination right under each other Lease also affected by such circumstances. (Leases, Section 3(e)(i)) Upon any such termination, LATAM shall pay an amount equal to the entire outstanding principal amount of the related Equipment Notes and all accrued but unpaid interest thereon as of such date for such Aircraft, together with all other amounts then due and unpaid under the Lease and the other operative documents with respect to such Aircraft and, with respect to any other affected Aircraft, all related secured obligations in respect of each other Aircraft. (Leases, Section 3(e)(ii)) If LATAM elects to exercise such termination option, the Owners will be required to redeem all of the Equipment Notes with respect to each Aircraft subject to a Lease affected by such circumstances at a redemption price for equal to 100% of the unpaid principal amount of the Equipment Notes, together with accrued and unpaid interest thereon to, but not including, the date of redemption, but without any Make-Whole Amount. (Indentures, Section 2.10)

Summary of Key Sublease Terms

Each Sublease is expressly subject and subordinate to the related Lease and it is terminable at will by LATAM, as lessor, or the Loan Trustee, pursuant to the Sublease Assignment, at any time on 45 days notice.

Ability to Repossess the Aircraft and Insolvency Law

Chile

LATAM is incorporated under the laws of Chile. Accordingly, any insolvency proceedings with respect to LATAM would be likely to proceed under, and be governed by, Chilean insolvency Law No. 20720 (the “**Insolvency Law**”). The ability of a Loan Trustee to exercise its remedies under the Equipment Notes in the case of certain events of bankruptcy, restructuring or insolvency of LATAM, including its ability to obtain possession of the Aircraft under the applicable Indenture, will likely to be determined through an insolvency or liquidation court process in Chile. The following discussion of insolvency and enforcement law, although an overview, describes generally the applicable terms and principles.

Chile’s Insolvency Law contemplates two different procedures for reorganization or liquidation of legal entities:

1. **Reorganization Procedure:** In this procedure (a “**Reorganization Procedure**”) only the debtor may submit a request of reorganization to the court. The *Veedor*, a public official in charge of the reorganization process, will have access to all the debtor’s books and documents but the debtor does not lose the administration of its business. This procedure’s purpose is to restructure the debtor’s assets and liabilities with the agreement of its creditors; for purposes of the reorganization procedure, credits that are secured with mortgages or pledges will be considered in one class and unsecured credits in another, and the reorganization may contain different proposals for each class, which will be voted only by the creditors of such class. Creditors in respect of the Leases will be unsecured. Reorganization agreements must refer to outstanding debts of the borrower and in no case can alter the terms and conditions of a lease agreement. (In addition to the judicial reorganization process, any debtor may enter into a simplified debt restructuring agreement with two or more creditors representing three quarters of the total debts of the borrower’s debts, or of a class of such debts. Such agreement must be filed with a court and published in the website of the bankruptcy regulator; within ten days after such publication, the court may summon any creditor that may be affected by the agreement. If no creditor presents an objection during such period, or if such objections are resolved, the court will issue a resolution approving such agreement.)

Within five days from the filing of a reorganization request by the debtor, the court must issue a reorganization decree (a “**Reorganization Decree**”) appointing the *Veedor*. Creditors will have an

eight-day period, starting on the date of the notification of the Reorganization Decree, to file their claims with the court together with sufficient documentation to evidence them. The period between the notification of the Reorganization Decree and the date in which the judicial reorganization agreement is executed is called the “**Financial Protection Period**”; such period can have a duration of 30 days extendable by up to two consecutive additional periods of 30 days. Such extensions will be granted at the request of the debtor, to the extent they are supported by two or more creditors representing at least 30% of the total credits (i.e., secured and unsecured credits), in the case of the first extension request, and at least 50% of the total credits, in the case of the second extension request. The claims of lessors, including the Owners, are included in credits for this purpose. Additionally, the Financial Protection Period can be further extended, once in each of the following circumstances:

- (i) if the majority of the creditors agree to suspend the creditors’ meeting in which the reorganization agreement will be discussed, a new meeting will be called within the next ten days, the Financial Protection Period will continue in force until the new meeting; and
- (ii) if the creditors reject the proposed reorganization agreement they can offer the debtor the possibility to submit a new proposal, in such case a new meeting will take place twenty days after the meeting in which the agreement was rejected during that time period the Financial Protection Period will continue in force.

Thereafter, no further extension of the Financial Protection Period will be permitted, and the maximum possible length of the Financial Protection Period is thus 120 days.

During the Financial Protection Period the law imposes a stay of execution that prevents all creditors and lessors from taking any enforcement of their credits and to repossess any leased asset solely as a result of a default due to the Reorganization Procedure. Nevertheless, during the Financial Protection Period, all lease agreements will remain in full force and effect and a lessee must continue to perform lease agreements and pay all rents that come due during such period or enforcement procedures may be immediately commenced (as described above). If a creditor of the debtor violates the stay, its claims will become subordinated below unsecured and related entities’ credits. During the Financial Protection Period the enforcement of the Owner Share Pledge or Call Option will not be permitted if LATAM continues to own the shares of the Owners at such time, as they will be assets of LATAM and therefore subject to the stay of execution, but the Owner (or the Loan Trustee as its assignee by virtue of the New York law assignment) would not be prohibited from terminating any Lease upon a payment default that occurs during the Financial Protection Period. The Reorganization Procedure would also not prevent the Loan Trustee from exercising other rights it has against the Owner, such as foreclosure over title to the Aircraft.

2. Liquidation Procedure: In this procedure (a “**Liquidation Procedure**”) the debtor or one of its creditors must submit a request of liquidation to the court. After the court’s liquidation decree (a “**Liquidation Decree**”) the *Liquidador*, a public official in charge of the liquidation process, will take over the administration of all of the debtor’s assets. There is no minimum requirement for the amount of debt or number of creditors that can submit a request of liquidation of a debtor. Therefore, following an Indenture Event of Default and after obtaining a final judgment against LATAM for the payment of money and, in the case of a judgment obtained in a court outside Chile, an *exequatur* in Chile’s Supreme Court, the Loan Trustee, without the consent of LATAM or any of its other creditors, could submit a request to the court for a liquidation of LATAM.

In general, the provision that sets forth the right of the Owner (or Loan Trustee acting pursuant to the New York law assignment) to terminate the Lease upon the bankruptcy or insolvency of LATAM (but excluding reorganization), will be valid and enforceable in Chile; however, the Insolvency Law contains special rules applicable to lease agreements that contain a purchase option of the leased asset in connection with a liquidation:

- (a) During the 32-day period that exists between the issuance of the Liquidation Decree and the first creditors' meeting a lease cannot be terminated by the lessor (or secured party of the lessor).
- (b) On the first creditors' meeting, the creditors of the lessee will have the option to (i) terminate the lease, by returning the asset, (ii) purchase the aircraft on behalf of the debtor according to the provisions of the lease agreement or (iii) continue with the lease as stipulated in the agreement. In case the creditors choose any of options (ii) or (iii) above, the Insolvency Law expressly mandates that they will have to respect the provisions of the lease agreement.

The Insolvency Law expressly sets forth that any provision in the lease agreement contrary to these rules will be disregarded.

This means, in the case of a Liquidation Procedure, the Aircraft will not become part of the estate unless the purchase option is exercised in accordance with the terms of the Lease, including the condition set forth in the Leases that in order to exercise the purchase option with respect to any Aircraft, the purchase option with respect to all Aircraft must be exercised. Any such purchase option may only be exercised by payment of the full option price in accordance with the terms of the applicable Lease and the exercise of the purchase in respect of each other Aircraft and provided in such Lease. Additionally, the creditors may not elect to continue with any Lease in accordance with its terms unless they also cure all defaults by electing to continue the Leases with respect to all other Aircraft.

Chile's Insolvency Law came into effect only recently and there is limited experience with its application, and a Chilean court may have a different interpretation of the provisions of the Insolvency Law described herein.

Because Chile does not recognize self-help remedies, if the Lessee refuses to return the Aircraft, the Owner (or Loan Trustee acting pursuant to the Lease assignment) must request its repossession through the Chilean courts. In order to obtain the repossession the Owner (or Loan Trustee) should (i) first obtain a foreign judgment rendered by the court having jurisdiction under the Lease, declaring the termination of the Lease, and enforce it in Chile through the *exequatur* procedure, and (ii) provide evidence of ownership by means of an ownership certificate issued by the General de Aeronáutica Civil of Chile.

Finally, to the extent the Owner remains wholly owned by LATAM, it will be subject to a restriction under the Insolvency Law that prevents any related company to vote in the creditors' meetings in the reorganization and liquidation procedures. This means that the Loan Trustee may not be able to vote its credits under the Leases in the creditors' meetings in such procedures.

Brazil

TLA is incorporated under the laws of Brazil. Accordingly, any insolvency proceedings with respect to TLA would be likely to proceed under, and be governed by, both Brazilian insolvency laws (the New Bankruptcy and Reorganization Law (Law 11,101, dated February 9, 2005), as amended by Law No. 11,196 of November 21, 2005) and the Cape Town Treaty. The ability of a Loan Trustee to exercise its remedies under the Equipment Notes in the case of certain events of bankruptcy, restructuring or insolvency of TLA, including its ability to obtain possession of the Aircraft under the applicable Indenture, will likely to be determined through a court process in Brazil if the relevant insolvency practitioner (*administrador judicial*), a third-party appointed by a judge to act as manager of the estate, contests the repossession and enforcement proceeding. The following discussion of insolvency and enforcement law, although an overview, describes generally the applicable terms and principles.

If TLA is subject to an insolvency procedure, the remedy available for repossession of an Aircraft will be a repossession action with request for immediate relief. Remedies under the Cape Town Treaty include the ability to obtain possession of such Aircraft after a stay period of 30 calendar days after the commencement of an insolvency related event.

Additionally there are a number of alternative insolvency procedures under Brazilian law including (i) bankruptcy (*falência*); (ii) out-of-court reorganization; (iii) judicial reorganization; and (iv) intervention/extra-judicial liquidation, all of which fall within the definition of “insolvency related event” under the Cape Town Treaty.

Because Brazil does not recognize self-help remedies, it will be necessary to commence an action in Brazil seeking injunctive relief for repossession. The complaint in such action must fully demonstrate and prove (a) indirect possession of the leased equipment by the owner/lessor by proper documentation (i.e., the actual lease agreement); (b) breach of contract by the lessee (i.e., payment or bankruptcy default); (c) termination of the lease and refusal by the lessee to return the leased equipment amicably; and (d) filing of the repossession action within one year of termination of the lease. Payment default and bankruptcy are each included in the general concept of breach of contract by the lessee, as is the failure to return the equipment when contractually required to do so.

When an aircraft is repossessed through court proceedings, along with the request for a preliminary injunction for immediate repossession, owner/lessor must request that the court grant an official letter (judicial order) to cause the customs authority to issue all authorizations and documents as necessary to export such aircraft. The owner, lessee or an attorney-in-fact of a lessee may also apply for deregistration of the aircraft with the Registro Aeronáutico Brasileiro (“**RAB**”).

A Loan Trustee can also enforce the de-registration and export request authorization certificate (“**IDERA**”), pertaining to Article 8 of the Protocol, *provided* that a document evidencing that the Lease has been terminated is submitted to the Brazilian Civil Aviation Authority. Pursuant to the specific rules issued by the RAB regulating IDERAs, the maximum time period for deregistration of an aircraft pursuant to an IDERA is five (5) days. Should the lessee refuse to apply for the export license, it would be possible for the owner/lessor, upon proof of termination of the lease (either by a redelivery certificate, an early termination agreement or a court decision) to obtain it.

See “Risk Factors—Risk Factors Relating to the Certificates and the Offering—The Cape Town Treaty will not apply to any Aircraft registered in Chile, and while it will apply to Aircraft registered in Brazil, the Cape Town Treaty has not yet been interpreted in Brazil. A court might interpret the Cape Town Treaty in a manner that does not maximize the benefits of the Cape Town Treaty for the Certificateholders”.

Taxation

Pursuant to the Participation Agreements, LATAM will agree that all payments to be made by LATAM shall be made in full and free and clear of and without deduction or withholding under the Lease for or on account of any taxes unless required by applicable law. If LATAM shall be required by applicable law of a jurisdiction to make any deduction or withholding from any payment for or on account of any taxes LATAM shall on the due date of such payment pay such additional amounts as may be necessary to ensure that the relevant payee receives and retains free from any liability in respect of such deduction or withholding a net amount equal to the full amount which it would have received had payment not been made subject to any such taxes. LATAM shall keep each relevant payee fully indemnified against liability of any kind which such payee may suffer or incur by reason of any delay or failure of LATAM to make any such deduction or withholding which LATAM is required to make as aforesaid or by reason of any such additional amount required to be paid as aforesaid not being paid on the due date for such payment.

In addition, if withholding taxes are imposed under the Liquidity Facilities, LATAM will pay amounts under the Leases equal to such amounts by way of supplemental rent or indemnity payments.

Exercise of Remedies

In addition to the terms described above, the Owners will agree to assign by way of security all of their rights under the Leases to the relevant Loan Trustee. The exercise of all remedies under each Lease will therefore be taken by such Loan Trustee.

Indemnification

Pursuant to the terms of each Participation Agreement, LATAM will be required to indemnify each Loan Trustee, each Liquidity Provider, the Subordination Agent, the Escrow Agent, the Paying Agent, Wilmington Trust

Company, Wilmington Trust, National Association, the applicable Owner and each Trustee, but not the holders of Certificates, for certain losses, claims and other matters.

Other Agreements of LATAM

Owner Share Pledges

LATAM will enter into a Cayman Law governed Owner Share Pledge with respect to each Owner, pursuant to which it will pledge 100% of the equity interests in such Owner to the Subordination Agent, as pledgee, for the benefit of the holders of the Certificates and the other secured parties. Each Charitable Trust will also enter into a Cayman Law governed Owner Share Pledge with respect to the applicable Owner, pursuant to which it will pledge to the Subordination Agent, as pledgee, for the benefit of the holders of the Certificates and the other secured parties, its interests in the equity interests in such Owner including under the related Call Agreement.

Put Agreements and Call Agreements

In order that each Aircraft will qualify for accelerated depreciation allowances under applicable Chilean tax law, LATAM expects to own 100% of the equity interests in each Owner until the Exercise Date for such Owner.

LATAM expects to own 100% of the equity interests in each Owner until the earlier of (x) the occurrence of an Indenture Event of Default and (y) the following Exercise Dates (i) in the case of the 2015 NB Owner, January 2022, (ii) in the case of the 2015 WB Owner, January 2021, (iii) in the case of the 2016 NB Owner, January 2022 and (iv) in the case of the 2016 WB Owner, January 2021.

On the Issuance Date, LATAM will enter into a Put Agreement and a corresponding Call Agreement with respect to each Owner. Under each Put Agreement, LATAM will have a Put Option exercisable at any time, to require MaplesFS Limited, as share trustee, to purchase (at a nominal price) 100% of the equity interests in the related Owner and to hold the shares of each Owner on the terms of a Charitable Trust. Under each Call Agreement, LATAM will grant the Subordination Agent, for the benefit of the holders of the Certificates and the other secured parties, a Call Option exercisable as set forth below, to require LATAM to transfer (at a nominal price) 100% of the equity interests in the related Owner to it or the Charitable Trust under the related Put Agreement. If the Put Option with respect to an Owner is not exercised on or prior to the applicable Exercise Date, the corresponding Call Option will be exercised on such Exercise Date. Each Call Option will also be exercisable upon any Indenture Event of Default. MaplesFS Limited, as share trustee, will take ownership of an Owner's shares under the related Put Option or Call Option subject to the related Owner Share Pledge, which will continue for the benefit of the holders of the Certificates and the other secured parties.

Local Mortgages; Sublease Assignments and Subordination Agreements

Each Aircraft other than the Subleased Aircraft will be initially registered in Chile. With respect to each Aircraft registered in Chile, the related Owner will enter into a Chilean law aircraft mortgage for the benefit of the related Loan Trustee, which will be duly registered in Chile. With respect to each Subleased Aircraft, which shall be initially registered in Brazil, the related Owner will enter into a Brazilian law aircraft mortgage for the benefit of the related Loan Trustee, which will be duly registered in Brazil.

With respect to each Subleased Aircraft, (a) LATAM will enter into a Sublease assignment (each, a “**Sublease Assignment**”), pursuant to which it will assign all of its rights under such Sublease to the Loan Trustee for the benefit of the holders of Equipment Notes and the related secured parties and (b) the Sublessee and LATAM will enter into a subordination agreement (each, a “**Subordination Agreement**”) pursuant to which each acknowledges and confirms to the related Owner and Loan Trustee that their rights and interests under the related Sublease are subject and subordinate to the Owner's rights as lessor under the related Lease and to the rights of the secured parties under the related Indenture and other security documents.

With respect to each Subleased Aircraft, the Brazilian law aircraft mortgage, the Sublease, the Subordination Agreement and an assignment of the related Lease in favor of the Loan Trustee will be duly registered in Brazil, and the International Interests created under such Brazilian law aircraft mortgage, Sublease, the related Lease, the related assignment of such Lease and the related Sublease Assignment will be duly registered on the International Registry.

Merger and Consolidation

Under each Participation Agreement, LATAM agrees that it will not consolidate with or merge into any other person under circumstances where LATAM is not the surviving Person or convey, transfer or lease substantially all of its assets as an entirety to any Person unless (i) immediately prior to such transaction and immediately after giving effect to such transaction, no Lease Event of Default will have occurred or be continuing; (ii) the Person formed by such consolidation or into which LATAM is merged or the Person that acquires by conveyance, transfer or lease substantially all of the assets of LATAM as an entirety shall be organized and validly existing under the laws of (x) the Republic of Chile or any territory thereof or (y) the United States or any state thereof or the District of Columbia and, in the case of clause (y), such Person shall be a United States certificated air carrier, if and so long as such status is a condition of entitlement to the benefits of Section 1110 of the U.S. Bankruptcy Reform Act of 1978, as amended, with respect to the Leases or the Aircraft, and (iii) such Person shall execute and deliver to the Pass Through Trustees, the Subordination Agent, the Escrow Agent and the Paying Agent an agreement in form and substance reasonably satisfactory to them containing an assumption by such successor Person of the due and punctual performance and observance of each covenant and condition of LATAM under such Participation Agreement, the related Lease and the other operative documents to which LATAM is a party. (Participation Agreements, Section 6.03(e))

POSSIBLE ISSUANCE OF CLASS C CERTIFICATES, ADDITIONAL CERTIFICATES AND REFINANCING CERTIFICATES

Issuance of Class C Certificates

LATAM may elect to cause the Owners to issue an additional series of equipment notes, referred to herein as the “**Series C Equipment Notes**” on the Issuance Date or at any time thereafter with respect to any Aircraft. If issued, the Series C Equipment Notes will be funded from sources other than this offering but will be issued under the same Indentures as the Series A Equipment Notes and the Series B Equipment Notes for such Aircraft. The Series C Equipment Notes issued under an Indenture will be subordinated in right of payment to the Series A Equipment Notes and the Series B Equipment Notes issued under such Indenture, will bear interest at a fixed rate and the scheduled payment dates will be the Regular Distribution Dates. The Owners will fund the sale of the Series C Equipment Notes through the sale of Class C Certificates issued by the Class C Trust. (Intercreditor Agreement, Section 8.01(d)) Any issuance of Class C Certificates will be made pursuant to a separate private offering memorandum. There will be no liquidity facility with respect to the Class C Certificates.

The Class C Trustee will become a party to the Intercreditor Agreement. The Intercreditor Agreement already provides for the subordination of any Class C Certificates to the Administration Expenses, the Liquidity Obligations, and, other than with regard to interest on the Preferred C Pool Balance, the Class A Certificates and the Class B Certificates, as and to the extent described herein. (Intercreditor Agreement, Section 8.01(d))

The holders of Class C Certificates will have the right to purchase all of the Class A Certificates and Class B Certificates under certain circumstances after a Certificate Buyout Event of LATAM. See “*Description of the Certificates—Purchase Rights of Certificateholders*”. In addition, the Class C Trustee will be the Controlling Party upon payment of Final Distributions to the holders of the Class A Certificates and the Class B Certificates, subject to the rights of the Liquidity Providers to be the Controlling Party under certain circumstances. See “*Description of the Intercreditor Agreement—Intercreditor Rights*”.

If Class C Certificates are issued prior to the Delivery Period Termination Date, (a) the net proceeds thereof will be held in escrow and placed in deposit on behalf of the escrow agent with a depository, all on terms and conditions and under documentation substantially similar to the Deposit Agreements and Escrow Agreements applicable to the net proceeds of the Class A Certificates and the Class B Certificates and (b) the Series C Equipment Notes will be issued and purchased by the Subordination Agent on behalf of the Class C Trustee on terms and conditions and under documentation substantially similar to the Note Purchase Agreement and Participation Agreement applicable to the purchase of the Series A Equipment Notes and the Series B Equipment Notes. The net proceeds of any issuance of Series C Equipment Notes and Class C Certificates will be paid over to LATAM.

Issuance of Additional Certificates

LATAM may elect to cause the Owners to issue one or more additional series of equipment notes, referred to herein as the “**Additional Equipment Notes**” on the Issuance Date or at any time thereafter with respect to any Aircraft. If issued, the Additional Equipment Notes will be funded from sources other than this offering but will be issued under the same Indentures as the Series A Equipment Notes, the Series B Equipment Notes and, if issued, the Series C Equipment Notes for such Aircraft. The Additional Equipment Notes issued under an Indenture will be subordinated in right of payment to the Series A Equipment Notes, the Series B Equipment Notes, and the Series C Equipment Notes (if any) issued under such Indenture and may also be subordinated to other Additional Equipment Notes that rank senior in right of payment to such Additional Equipment Notes, will bear interest at a fixed rate and the scheduled payment dates will be the Regular Distribution Dates. The Owners will fund the sale of the Additional Equipment Notes through the sale of pass through certificates (the “**Additional Certificates**”) issued by a related pass through trust (an “**Additional Trust**”). (Intercreditor Agreement, Section 8.01(d)) Any issuance of Additional Certificates will be made pursuant to a separate private offering memorandum. There will be no liquidity facility with respect to any Additional Certificates.

The trustee of any Additional Trust will become a party to the Intercreditor Agreement, and the Intercreditor Agreement will be amended by written agreement of the Owners, LATAM and the Subordination Agent to provide for the subordination of the Additional Certificates to the Administration Expenses, the Liquidity Obligations, the Class A Certificates, the Class B Certificates, the Class C Certificates (if issued) and, if applicable, any other

Additional Certificates that rank senior in right of payment to such Additional Certificates. The priority of distributions under the Intercreditor Agreement may be revised, however, with respect to Additional Certificates to provide for distribution of adjusted interest with respect to each issued class of Additional Certificates (calculated in a manner substantially similar to the calculation of Class B Adjusted Interest, but with respect to the applicable class of Additional Certificates) after Class B Adjusted Interest or, if Class C Certificates are issued, Class C Adjusted Interest, but before Expected Distributions on the Class A Certificates (Intercreditor Agreement, Section 8.01(d))

The holders of the Additional Certificates will have the right to purchase all of the Class A Certificates, the Class B Certificates and, if issued, the Class C Certificates and, if applicable, any other class of Additional Certificates ranking senior in right of payment to any such class of Additional Certificates under certain circumstances after a Certificate Buyout Event of LATAM. See *“Description of the Certificates—Purchase Rights of Certificateholders”*. In addition, the trustee for the Additional Trust related to such most senior class of Additional Certificates will be the Controlling Party upon payment of Final Distributions to the holders of the Class A Certificates, the Class B Certificates and, if issued, the Class C Certificates, subject to the rights of the Liquidity Providers to be the Controlling Party under certain circumstances. See *“Description of the Intercreditor Agreement—Intercreditor Rights”*.

Any such issuance of Additional Equipment Notes and Additional Certificates, and any such amendment of the Intercreditor Agreement (and any amendment of an Indenture in connection with such issuance) will be contingent upon each Rating Agency providing written confirmation to the effect that such actions will not result in a withdrawal, suspension, or downgrading of the rating of any class of Certificates. The issuance of the Additional Certificates is conditioned on the prior issuance of the Class A Certificates and the Class B Certificates. The issuance of Additional Equipment Notes and Additional Certificates in compliance with the foregoing conditions will not require the consent of any Trustee or any holders of any class of Certificates (Intercreditor Agreement, Section 8.01(d))

If Additional Certificates are issued prior to the Delivery Period Termination Date, (a) the net proceeds thereof will be held in escrow and placed in deposit on behalf of the escrow agent with a depository, all on terms and conditions and under documentation substantially similar to the Deposit Agreements and Escrow Agreements applicable to the net proceeds of the Class A Certificates, the Class B Certificates and, if issued, the Class C Certificates and (b) the Additional Equipment Notes will be issued and purchased by the Subordination Agent on behalf of the trustee of the related Additional Trust on terms and conditions and under documentation substantially similar to the Note Purchase Agreement and Participation Agreement applicable to the purchase of the Series A Equipment Notes, the Series B Equipment Notes and, if issued, the Series C Equipment Notes. The net proceeds of any issuance of Additional Equipment Notes and Additional Certificates will be paid over to LATAM.

Refinancing of Certificates

LATAM may elect to cause the Owners to redeem and re-issue Series B Equipment Notes or Series C Equipment Notes or Additional Equipment Notes, if any, then outstanding (any such re-issued Equipment Notes, the **“Refinancing Equipment Notes”**) in respect of all (but not less than all of the Aircraft secured by such refinanced equipment notes at any time after the Delivery Period Termination Date. In such case, the Owners will fund the sale of such Refinancing Equipment Notes through the sale of pass through certificates (the **“Refinancing Certificates”**) issued by one or more new pass through trusts (each, a **“Refinancing Trust”**).

The trustee of each Refinancing Trust will become a party to the Intercreditor Agreement and the Intercreditor Agreement will be amended by written agreement of the Owners, LATAM and the Subordination Agent to provide for the subordination of the Refinancing Certificates to the Administration Expenses, the Liquidity Obligations, the Class A Certificates and, if applicable, the Class B Certificates and, if applicable, the Class C Certificates and, if applicable, each other class of Certificates that ranks senior in right of payment to such Refinancing Certificates in the same manner that the corresponding class of refinanced Certificates was subordinated. Such issuance of Refinancing Equipment Notes and Refinancing Certificates, and any such amendment of the Intercreditor Agreement (and any amendment of an Indenture in connection with such re-issuance) is contingent upon each Rating Agency providing written confirmation to the effect that such actions will not result in a withdrawal, suspension or downgrading of the rating of any class of Certificates that remains outstanding. The issuance of Refinancing Certificates in compliance with the foregoing conditions will not require the consent of any Trustee or any holder of any class of Certificates. (Intercreditor Agreement, Section 8.01(c))

Additional Liquidity Facilities

Refinancing Certificates in respect of Class B Certificates may have the benefit of credit support similar to the Liquidity Facility for the Class B Trust or different therefrom and claims for fees, interest, expenses, reimbursement of advances and other obligations arising from such credit support may rank equally with similar claims in respect of the Liquidity Facilities, so long as the prior written consent of the Liquidity Providers shall have been obtained and each Rating Agency shall have provided written confirmation to the effect that such actions will not result in a withdrawal, suspension, or downgrading of the rating of any class of Certificates then rated by such Rating Agency and that remains outstanding. (Intercreditor Agreement, Section 8.01(c)(iii))

CERTAIN CAYMAN ISLANDS TAX CONSIDERATIONS

General

The following summary of Cayman Islands taxation is of a general nature and is included herein for information purposes only. It is not intended to be and should not be construed as legal or tax advice. Prospective investors in Certificates should consult their own tax advisers with respect to their particular circumstances and the effects of state, local or foreign laws, including Cayman Islands tax law, to which they may be subject.

Certificateholders are not subject to any tax in the Cayman Islands in respect of the holding, sale or other disposition of the Certificates. Payments of interest on the Equipment Notes may be made by the Owners without withholding or deductions for or on account of Cayman Islands income tax. The Cayman Islands currently has no income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax.

Stamp duty may be payable under the laws of the Cayman Islands in respect of the Certificates to the extent brought into or executed in the Cayman Islands and if the Certificates are issued in registered form, an instrument of transfer of title thereto may also be subject to Cayman Islands stamp duty if brought into or executed in the Cayman Islands.

As exempted companies, each of the Owners is entitled to and has applied for an Undertaking as to Tax Concessions from the Governor-in-Cabinet of the Cayman Islands pursuant to Section 6 of the Tax Concessions Law (2011 Revision) providing that, for a period of twenty years from the date of such Undertaking, no law subsequently enacted in the Cayman Islands imposing any tax on profits, gains or appreciations will apply to the Owners or their operations.

Taxation of Investors

There is no income tax in the Cayman Islands and therefore Certificateholders will not suffer any income tax in the Cayman Islands in respect of the acquisition, holding or disposal of the Certificates.

There is no withholding tax in the Cayman Islands and therefore no Cayman Islands tax will be required to be withheld from interest or other payments made by the Owners.

Other Cayman Islands Taxes

There are no death duties, capital inheritance, capital gains, gift or value added taxes levied in the Cayman Islands in connection with the acquisition, holding, conversion or disposal of Certificates or otherwise.

No stamp duty is chargeable in the Cayman Islands on the issue, transfer, conversion or redemption of Certificates, with the exception of nominal stamp duty that would be payable in respect of any grant of probate in the Cayman Islands upon the death of a Certificateholder and stamp duty that may be payable on any instrument of transfer of title to a Certificate if brought into or executed in the Cayman Islands.

EU Savings Directive

The Cayman Islands is not subject to the European Union Directive on the Taxation of Savings Income.

Other Taxes

Holders of the Certificates may be liable for taxes in the country, state or locality in which they are resident or doing business. Since the tax laws of each country, state, and locality may differ, each prospective investor should consult its own tax counsel with respect to any such taxes that may be payable as a result of an investment in the Certificates.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following summary describes all material generally applicable U.S. federal income tax consequences to Certificateholders of the purchase, ownership and disposition of the Class A Certificates and Class B Certificates offered pursuant to this offering memorandum. Except as otherwise specified, the summary is addressed to beneficial owners of Certificates that are citizens or residents of the United States, corporations created or organized in or under the laws of the United States or any state therein or the District of Columbia, estates the income of which is subject to U.S. federal income taxation regardless of its source, or trusts if: (a) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person (“**U.S. Certificateholders**”). If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds the Certificates, the U.S. federal income tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to the U.S. federal income tax consequences of the purchase, ownership, disposition and retirement of the Certificates.

This summary does not address the tax treatment of U.S. Certificateholders that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or commodities, partnerships, holders subject to the mark-to-market rules, tax-exempt entities, holders that will hold Certificates as part of a straddle or holders that have a “functional currency” other than the U.S. Dollar, nor, except as otherwise specified, does it address the tax treatment of U.S. Certificateholders that do not acquire Certificates at the public offering price as part of the initial offering pursuant to this offering memorandum. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase Certificates. This summary does not describe any U.S. federal estate, gift, alternative minimum tax or net investment income tax considerations or any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the United States.

The summary is based upon the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) and U.S. Treasury regulations thereunder as in effect on the date of this offering memorandum, as well as judicial and administrative interpretations thereof (in final or proposed form) available on or before such date. All of the foregoing are subject to change, which change could apply retroactively. LATAM has not sought any ruling from the U.S. Internal Revenue Service (the “**IRS**”) with respect to the tax consequences described below, and LATAM cannot assure you that the IRS will not take contrary positions. The Trusts are not indemnified for any taxes that may be imposed upon them, and the imposition of any such taxes on the Trusts could result in a reduction in the amounts available for distribution to the Certificateholders. **Prospective investors should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences to them of the purchase, ownership and disposition of the Certificates.**

Tax Status of the Trusts

Although there is no authority addressing the characterization of entities that are similar to the Trusts in all material respects, based upon an interpretation of analogous authorities and the terms of the transaction documents, all as in effect on the date hereof, each Trust will be classified for U.S. federal income tax purposes either as a grantor trust or as a partnership, and will not be treated as a corporation or publicly traded partnership taxable as a corporation, provided the “qualifying income” test described below is met. Each Trust intends to file income tax returns and report to investors on the basis that it is a grantor trust. Except as otherwise stated below, the discussion assumes that each Trust will be classified as a grantor trust. If a Trust is classified as a partnership for U.S. federal income tax purposes, it will not be classified as a publicly traded partnership taxable as a corporation *provided* that at least 90% of such Trust’s gross income for each taxable year of its existence is “qualifying income” (which is defined to include, among other things, interest income, gain from the sale or disposition of capital assets held for the production of interest income, and income derived with respect to a business of investing in securities). Income derived by a Trust from the Equipment Notes and the Deposits will constitute qualifying income and such Trust therefore will meet the 90% test described above, assuming that such Trust operates in accordance with the terms of the Pass Through Trust Agreements and other agreements to which it is a party.

Taxation of U.S. Certificateholders Generally

Trusts Classified as Grantor Trust

Assuming that each Trust is classified as a grantor trust, a U.S. Certificateholder will be treated as owning its *pro rata* undivided interest in the relevant Deposits (as evidenced by Escrow Receipts) and each of the Equipment Notes held by the Trust, the Trust's contractual rights and obligations under the Note Purchase Agreement, and any other property held by the Trust. Accordingly, each U.S. Certificateholder's share of interest paid on Equipment Notes will be taxable as ordinary income, as it is paid or accrued, in accordance with such U.S. Certificateholder's method of accounting for U.S. federal income tax purposes, and a U.S. Certificateholder's share of premium, if any, paid on redemption of an Equipment Note will be treated as capital gain. The Deposits will likely be subject to the short-term obligation rules, with the result that a U.S. Certificateholder using the cash method of accounting will be required to defer interest deductions with respect to the debt incurred or continued to purchase or carry an interest in a Deposit unless the U.S. Certificateholder elects (or is required under the short-term obligation rules) to include income from the Deposit using the accrual method of accounting. Any amounts received by the Trusts under the Liquidity Facility in order to make interest payments will be treated for U.S. federal income tax purposes as having the same characteristics as the payments they replace.

In certain circumstances there may be an obligation under the terms of the Equipment Notes to pay the Make-Whole Amount, or otherwise to pay amounts in excess of stated interest or principal on the Equipment Notes (see "*Exchange Offer; Registration Rights*"). Although the issue is not free from doubt, we intend to take the position that the possibility of such payments does not result in the Equipment Notes being treated as "contingent payment debt instruments" under applicable U.S. Treasury regulations. Our position is binding on a U.S. Certificateholder unless such holder discloses its contrary position in the manner required by the applicable Treasury regulations. However, our position is not binding on the IRS, and if the IRS were to successfully take a contrary position, then among other things, U.S. Certificateholders might be required to accrue deemed interest income with respect to the Equipment Notes in taxable periods in amounts exceeding the stated interest payable in those periods, and to treat as ordinary income rather than capital gain any income realized on a taxable disposition of their Certificates. U.S. Certificateholders should consult their tax advisors regarding the potential application to the Equipment Notes of the contingent payment debt instrument rules and the consequences thereof.

In the case of a subsequent purchaser of a Certificate, the purchase price for the Certificate should be allocated among the relevant Deposits and the assets held by the relevant Trust (including the Equipment Notes and the rights and obligations under the Note Purchase Agreement with respect to Equipment Notes not theretofore issued) in accordance with their relative fair market values at the time of purchase. Any portion of the purchase price allocable to the right and obligation under the Note Purchase Agreement to acquire an Equipment Note should be included in the purchaser's basis in its share of the Equipment Note when issued. Although the matter is not entirely clear, in the case of a purchaser after initial issuance of the Certificates but prior to the Delivery Period Termination Date, if the purchase price reflects a "negative value" associated with the obligation to acquire an Equipment Note pursuant to the Note Purchase Agreement being burdensome under conditions existing at the time of purchase (e.g., as a result of the interest rate on the unissued Equipment Notes being below market at the time of purchase of a Certificate), such negative value probably would be added to such purchaser's basis in its interest in the Deposits and the remaining assets of the relevant Trust and reduce such purchaser's basis in its share of the Equipment Notes when issued. The preceding two sentences do not apply to purchases of Certificates following the Delivery Period Termination Date.

A U.S. Certificateholder who is treated as purchasing an interest in an Equipment Note at a market discount (generally, at a cost less than its remaining principal amount) that exceeds a statutorily defined de minimis amount will be subject to the "market discount" rules of the Code. These rules provide, in part, that gain on the sale or other disposition of a debt instrument with a term of more than one year and partial principal payments (including partial redemptions) on such a debt instrument are treated as ordinary income to the extent of accrued but unrecognized market discount. The market discount rules also provide for deferral of interest deductions with respect to debt incurred or continued to purchase or carry a debt instrument that has market discount. A U.S. Certificateholder who purchases an interest in an Equipment Note at a premium may elect to amortize the premium as an offset to interest income on the Equipment Note under rules prescribed by the Code and U.S. Treasury regulations promulgated under the Code.

Each U.S. Certificateholder will be entitled to deduct, consistent with its method of accounting, its *pro rata* share of fees and expenses paid or incurred by the corresponding Trust as provided in Section 162 or 212 of the Code. Certain fees and expenses, including fees paid to the Trustee and the Liquidity Provider, will be borne by parties other than the Certificateholders. It is possible that the payments related to such fees and expenses will be treated as constructively received by the relevant Trust, in which event a U.S. Certificateholder will be required to include in income and will be entitled to deduct its *pro rata* share of such fees and expenses. If a U.S. Certificateholder is an individual, estate or trust, the deduction under Section 212 for such holder's share of such fees or expenses will be allowed only to the extent that all of such holder's miscellaneous itemized deductions, including such holder's share of such fees and expenses, exceed 2% of such holder's adjusted gross income. In addition, in the case of U.S. Certificateholders who are individuals, certain otherwise allowable itemized deductions will be subject generally to additional limitations on itemized deductions under applicable provisions of the Code.

Trusts Classified as Partnerships

If a Trust is classified as a partnership (and not as a publicly traded partnership taxable as a corporation) for U.S. federal income tax purposes, income or loss with respect to the assets held by the Trust will be calculated at the Trust level but the Trust itself will not be subject to U.S. federal income tax. A U.S. Certificateholder would be required to report its share of the Trust's items of income and deduction on its tax return for its taxable year within which the Trust's taxable year (which should generally be a calendar year) ends as well as income from its interest in the relevant Deposits. A U.S. Certificateholder's basis in its interest in the Trust generally would be equal to its purchase price therefor (including its share of any funds withdrawn from the Depository and used to purchase Equipment Notes), plus its share of the Trust's net income, minus its share of any net losses of the Trust, and minus the amount of any distributions from the Trust. In the case of an original purchaser of a Certificate that is a calendar year taxpayer, income or loss generally should be the same as it would be if the Trust were classified as a grantor trust, except that income or loss would be reported on an accrual basis even if the U.S. Certificateholder otherwise uses the cash method of accounting. A subsequent purchaser, however, generally would be subject to tax on the same basis as an original holder with respect to its interest in the Trust, and would not be subject to the market discount rules or the bond premium rules during the duration of the Trust, except that it is possible that, in the case of a subsequent purchaser that purchases Certificates at a time when the total adjusted tax basis of the Trust's assets exceeds their fair market value by more than U.S.\$250,000, taxable income would be computed as if the adjusted basis of the Trust's assets were reduced by the amount of such excess.

Effect of Reallocation of Payments under the Intercreditor Agreement

In the event that any Trust (a "**Subordinated Trust**," and its related pass through certificates being "**Subordinated Certificates**") receives less than the full amount of the interest, principal or premium paid with respect to the Equipment Notes held by such trust because of the subordination of the Equipment Notes held by the Trust under the Intercreditor Agreement, the corresponding owners of beneficial interests in the Subordinated Certificates (the "**Subordinated Certificateholders**") likely would be treated for U.S. federal income tax purposes as if they had:

- received as distributions their full share of interest, principal or premium;
- paid an amount equal to their share of the amount of the shortfall to the Certificateholders with respect to whom they are subordinated (the "**Preferred Certificateholders**"); and
- retained the right to reimbursement of the amount of the shortfall to the extent of future amounts payable to them on account of the shortfall.

Under this analysis:

- Subordinated Certificateholders incurring a shortfall would be required to include as current income any interest or other income of the Subordinated Trust that was a component of the shortfall, even though that amount was in fact paid to the Preferred Certificateholders;
- any resulting loss generally would only be allowed to the Subordinated Certificateholders when their right to receive reimbursement of the shortfall becomes worthless (i.e., when it becomes clear that funds will not be available from any source to reimburse the shortfall); and

- reimbursement of the shortfall before a claim of worthlessness would not be taxable income to the Subordinated Certificateholders because the amount reimbursed would have been previously included in income.

These results should not significantly affect the inclusion of income for holders of any Class B Certificates or Class C Certificates (if issued), on the accrual method of accounting, but could accelerate inclusion of income to holders of such Certificates on the cash method of accounting by, in effect, placing them on the accrual method.

Under the above analysis, Preferred Certificateholders that are deemed to receive payments from the Subordinated Certificateholders probably would have the same tax treatment for such payments as they would if they had received distributions of interest, principal or premium payments (as the case may be) on the Equipment Notes. In addition, Preferred Certificateholders probably would not have a deduction or loss when reimbursement payments are made to the Subordinated Certificateholders.

Sale or Other Disposition of the Certificates

Upon the sale, exchange or other disposition of a Certificate, a U.S. Certificateholder generally will recognize capital gain or loss (subject to the possible recognition of ordinary income under the market discount rules) equal to the difference between the amount realized on the disposition (other than any amount attributable to accrued interest not previously included in income, which will be taxable as ordinary income and any amount attributable to any Deposits or the associated Escrow Receipts) and the U.S. Certificateholder's adjusted tax basis in the Note Purchase Agreement, Equipment Notes and any other property held by the corresponding Trust (not including the tax basis attributable to the associated Escrow Receipts). Any such gain or loss will be long-term capital gain or loss to the extent attributable to property held by the Trust for more than one year. Any gain with respect to an interest in a Deposit or the associated Escrow Receipts will likely be treated as ordinary income and any loss will likely, to the extent of cumulative net accruals on the Deposits, be treated as ordinary loss. Notwithstanding the foregoing, if the Trusts are classified as partnerships, gain or loss with respect to a disposition of an interest in a Trust will be calculated and characterized by reference to the U.S. Certificateholder's adjusted tax basis and holding period for its interest in the Trust.

Backup Withholding

Payments made on the Certificates and proceeds from the sale of Certificates will not be subject to a backup withholding tax unless, in general, a U.S. Certificateholder fails to comply with certain reporting procedures or otherwise fails to establish an exemption from such tax under applicable provisions of the Code.

Non-U.S. Certificateholders

Subject to the discussion below, payments of principal, interest or premium on the Equipment Notes to, or on behalf of, any beneficial owner of a Certificate that is neither a U.S. Certificateholder nor a partnership or disregarded entity of a U.S. person, in each case for U.S. federal income tax purposes (a "**non-U.S. Certificateholder**") and any capital gain (not including any amount treated as interest) realized upon the sale, exchange, retirement or other disposition of a Certificate will not be subject to U.S. federal income or withholding taxes if (i) such non-U.S. Certificateholder's income or gain is not effectively connected with a U.S. trade or business of the holder and (ii) with respect to gain on sale, exchange, retirement or other disposition in the case of an individual, such holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition or receipt.

Payments of interest on the Deposits likely will constitute income from sources within the United States for U.S. federal income tax purposes. As such, subject to the discussions of the U.S. Foreign Account Tax Compliance Act ("**FATCA**") and backup withholding below, payments of interest on the Deposits to, or on behalf of, any beneficial owner of a Certificate that is a non-U.S. Certificateholder will not be subject to U.S. federal net income or withholding taxes if (i) such interest is not effectively connected with a U.S. trade or business of the non-U.S. Certificateholder, (ii) the non-U.S. Certificateholder does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Depositary entitled to vote, (iii) the non-U.S. Certificateholder is not a bank receiving interest pursuant to a loan agreement entered into in the ordinary course of its trade or business, or a controlled foreign corporation for U.S. federal income tax purposes that is related to the

Depository, and (iv) certain certification requirements (including identification of the beneficial owner of the Certificate) are satisfied. In addition, any gain (not including any amount treated as interest) realized upon the sale, exchange, retirement or other disposition of an Escrow Receipt which evidences an interest in a Deposit by a non-U.S. Certificateholder will not be subject to U.S. federal income or withholding taxes if (i) such gain is not effectively connected with a U.S. trade or business of the non-U.S. Certificateholder and (ii) in the case of an individual, such holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition or receipt.

FATCA generally imposes a 30% withholding tax (“**FATCA Withholding**”) on interest paid on, and the gross proceeds from the disposition of, debt obligations that generate U.S.-source interest paid to either (i) a foreign financial institution (an “**FFI**”), unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities information regarding such institution’s United States account holders, or is otherwise compliant with FATCA, or (ii) a foreign entity that is not a financial institution, unless such entity provides the relevant withholding agent with certification identifying any substantial U.S. owners. Under U.S. Treasury regulations and IRS guidance, FATCA Withholding generally applies to (a) payments of U.S. source interest paid on debt obligations issued (or materially modified) after June 30, 2014, (b) payments of gross proceeds from a redemption, retirement or disposition of such debt obligations after December 31, 2016, and may also apply to (c) certain “foreign pass-thru payments” (a term not yet defined) in respect of obligations that are issued after the “**grandfathering date**”, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign pass thru payment are filed with the Federal Register, or which are materially modified after the grandfathering date.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an “**IGA**”). Pursuant to these IGAs, an FFI in an IGA signatory country that complies with the requirements of the IGA and related implementing rules generally would be treated as a Reporting Financial Institution (a “**Reporting FI**”) not subject to FATCA Withholding on any payments it receives. Further, such a Reporting FI would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes. Under an IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

Assuming LATAM is, and the Owners are, operated, as expected, in a manner such that interest on the Equipment Notes will constitute income from sources outside the United States, interest (and gross proceeds) paid with respect to the Equipment Notes should not be subject to FATCA Withholding. However, it is possible that interest with respect to the Deposits paid to, or on behalf of, a non-U.S. Certificateholder will be subject to FATCA Withholding unless the non-U.S. Certificateholder establishes an exemption therefrom (because the interest likely will constitute income from sources within the United States). Investors are not indemnified for FATCA or any other U.S. withholding. Therefore and because FATCA is particularly complex and its application sometimes uncertain, prospective investors should consult with their own tax advisors regarding the implications of FATCA on and the withholding consequences of their investment in the Certificates.

Payments made on the Certificates, and proceeds from the sale of Certificates, generally will not be subject to U.S. federal backup withholding tax unless such non-U.S. Certificateholder fails to comply with certain reporting procedures or otherwise fails to establish an exemption from such tax under applicable provisions of the Code.

CERTAIN DELAWARE TAXES

The Trustee is a Delaware trust company with its corporate trust office in Delaware. In the opinion of Morris James LLP, Wilmington, Delaware, counsel to the Trustee, under currently applicable law, assuming that the Trust will not be taxable as a corporation, but, rather, will be classified as a grantor trust under subpart E, Part I of Subchapter J of the Code or as a partnership under Subchapter K of the Code, (i) the Trust will not be subject to any tax (including, without limitation, net or gross income, tangible or intangible property, net worth, capital, franchise or doing business tax), fee or other governmental charge under the laws of the State of Delaware or any political subdivision thereof and (ii) Certificateholders that are not residents of or otherwise subject to tax in Delaware will not be subject to any tax (including, without limitation, net or gross income, tangible or intangible property, net worth, capital, franchise or doing business tax), fee or other governmental charge under the laws of the State of Delaware or any political subdivision thereof as a result of purchasing, holding (including receiving payments with respect to) or selling a Certificate.

Neither the Trust nor the Certificateholders will be indemnified for any state or local taxes imposed on them, and the imposition of any such taxes on the Trust could result in a reduction in the amounts available for distribution to the Certificateholders. In general, should a Certificateholder or the Trust be subject to any state or local tax which would not be imposed if the Trustee were located in a different jurisdiction in the United States, the Trustee will resign and a new Trustee in such other jurisdiction will be appointed.

CERTAIN U.S. ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), imposes certain requirements on employee benefit plans subject to Title I of ERISA (“**ERISA Plans**”), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, “**Plans**”)) and certain persons (referred to as “parties in interest” or “disqualified persons”) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Department of Labor has promulgated a regulation, 29 CFR Section 2510.3-101 (as modified by Section 3(42) of ERISA, the “**Plan Asset Regulation**”), describing what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for purposes of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests (directly or indirectly) in a Certificate, the Plan’s assets will include both the Certificate and an undivided interest in each of the underlying assets of the corresponding Trust, including the Equipment Notes held by the Trust, unless it is established that equity participation in the Trust by “benefit plan investors” (including but not limited to Plans and entities whose underlying assets include “plan assets” by reason of an employee benefit plan’s investment in the entity) is not “significant” within the meaning of the Plan Asset Regulation. In this regard, the extent to which there is equity participation in a Trust by, or on behalf of, employee benefit plans will not be monitored. If the assets of the Trust are deemed to constitute the assets of a Plan, transactions involving the assets of the Trust could be subject to the prohibited transaction provisions of ERISA and Section 4975 of the Code unless a statutory or administrative exemption is applicable to the transaction.

In order to mitigate the possibility of such prohibited transactions and other fiduciary concerns under ERISA, each investing Plan, by acquiring such Certificates (or an interest therein), will be deemed to have directed the corresponding Trust to invest in the assets held in the Trust pursuant to the terms and conditions described herein. Any Plan purchasing the Certificates should also ensure that any statutory or administrative exemption from the prohibited transaction rules on which such Plan relies with respect to its purchase or holding of the Certificates also applies to such Plan’s indirect acquisition and holding of the assets of the related Trust.

The fiduciary of a Plan that proposes to purchase and hold any Certificates should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, and (iii) the transfer to, or use by or for the benefit of, a party in interest or a disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, LATAM, the Owner and their respective affiliates, the Initial Purchasers, the Loan Trustees, the Escrow Agent, the Depositary, the Trustee and the Liquidity Provider. In addition, if one class of Certificates is purchased by a Plan and another class of Certificates is held by a party in interest or a disqualified person with respect to such Plan, the exercise by the holder of the subordinate class of Certificates of its right to purchase the senior Classes of Certificates upon the occurrence and during the continuation of a Triggering Event could be considered to constitute a prohibited transaction unless a statutory or administrative exemption were applicable. Depending, in part, on the identity of the Plan fiduciary making the decision to acquire or hold Certificates on behalf of a Plan and the circumstances under which such decision is made, Prohibited Transaction Class Exemption (“**PTCE**”) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a “qualified professional asset manager”), PTCE 95-60 (relating to investments by an insurance company general account), PTCE 96-23 (relating to transactions directed by an in-house professional asset manager) or PTCE 90-1 (relating to investments by insurance company pooled separate accounts) (collectively, the “**Class Exemptions**”) could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Certificates.

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to state or other federal laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Certificates to determine the need for and availability of any exemption.

Any Plan fiduciary which proposes to cause a Plan to purchase any Certificates should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

Each person who acquires or accepts a Certificate or an interest therein, will be deemed by such acquisition or acceptance to have (1) represented and warranted that either: (i) no Plan assets have been used to purchase or hold such Certificate or an interest therein or (ii) the purchase and holding of such Certificate or an interest therein are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions and (2) directed the corresponding Trust to invest in the assets held in the Trust pursuant to the terms and conditions described in the related Pass Through Trust Agreement. In addition, if a person acquiring or accepting a Certificate or an interest therein is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code, such person will be deemed by such acquisition or acceptance to have represented and warranted that the purchase and holding of such Certificate or an interest therein do not constitute or result in a non-exempt violation of any such substantially similar law.

PLAN OF DISTRIBUTION

LATAM, the Owners, the Depositary and Citigroup Global Markets Inc., as representative of the Initial Purchasers, have entered into a purchase agreement with respect to the Certificates. Subject to certain conditions, the Initial Purchasers have severally agreed to purchase the entire face amount of the Certificates offered hereby.

The Initial Purchasers are committed to take and pay for all of the Certificates being offered, if any are taken. The initial offering price is set forth on the cover page of this offering memorandum. After the Certificates are released for sale, the Initial Purchasers may change the offering price and other selling terms. The offering of the Certificates by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers' right to reject any order in whole or in part. The Initial Purchasers may offer and sell Certificates through certain of their affiliates.

The Certificates have not been registered under the Securities Act or the securities laws of any other jurisdiction. The Initial Purchasers have agreed that they will only offer or sell the Certificates (A) to persons they reasonably believe are QIBs in reliance on Rule 144A under the Securities Act, and (B) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above have the meanings given to them by Rule 144A and Regulation S under the Securities Act.

In connection with sales outside the United States, the Initial Purchasers have agreed that they will not offer, sell or deliver the Certificates to, or for the account or benefit of, U.S. persons (i) as part of the Initial Purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering or the date the Certificates are originally issued. The Initial Purchasers will send to each dealer to whom it sells such Certificates during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to Certificates initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this Offering or the date the Certificates are originally issued, an offer or sale of such Certificates within the United States by a dealer that is not participating in the Offering may violate the registration requirements of the Securities Act.

During the period from the date of the sale of the Certificates offered hereunder through and including the date of delivery and payment for the Certificates, LATAM shall not, without prior written consent of the Initial Purchasers, offer, issue, sell, contract or agree to sell or issue any equipment notes, pass through certificates, equipment trust certificates or equipment purchase certificates secured by aircraft owned or leased by LATAM, other than the Certificates, any Class C Certificates and any related Equipment Notes.

The Certificates are a new issue of securities with no established trading market. None of LATAM or any of the Trusts intends to apply for the listing of the Certificates on any securities exchange. LATAM has been advised by the Initial Purchasers that the Initial Purchasers intend to make a market in the Certificates but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Certificates.

In connection with the Offering, the Initial Purchasers may purchase and sell Certificates in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater number of Certificates than they are required to purchase in the Offering. Covering transactions involve purchases of the Certificates in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Certificates while the Offering is in progress.

These activities by the Initial Purchasers, as well as other purchases by the Initial Purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the Certificates. As a result, the price of the Certificates may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Initial Purchasers at any time. These transactions may be effected in the over-the-counter market or otherwise.

Selling Restrictions

European Economic Area

In relation to each Relevant Member State, each Initial Purchaser has represented and agreed that with effect from and including the Relevant Implementation Date it has not made and will not make an offer of Certificates that are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

- (a) to any legal entity that 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 Prospectus Directive 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 relevant representatives nominated by LATAM 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 Certificates shall require LATAM or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Certificates to the public” in relation to any Certificates 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 the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 Prospectus Directive 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 Prospectus Directive Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Initial Purchaser 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 United Kingdom Financial Services and Markets Act 2000 (“FSMA”)) received by it in connection with the issue or sale of the Certificates in circumstances in which Section 21(1) of the FSMA does not apply to LATAM; 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 Certificates in, from or otherwise involving the United Kingdom.

Hong Kong

The Certificates may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Certificates may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to

persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates may not be circulated or distributed, nor may the Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Certificates are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Certificates under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”) and each Initial Purchaser has agreed that it will not offer or sell any Certificates, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Other

We expect that delivery of the Certificates will be made against payment therefor on or about May 29, 2015, which will be the tenth business day following the date of pricing of the Certificates. Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Certificates on a day prior to the third business day before the date of the initial delivery of the Certificates will be required, by virtue of the fact that the Certificates initially will settle T+10, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Certificates who wish to trade Certificates during the period referred to above should consult their own advisor.

LATAM has agreed to indemnify the several Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the Initial Purchasers may be required to make in that respect.

The Initial Purchasers and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Initial Purchasers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, investment banking, commercial banking and commercial lending services and hedging activities, including fuel hedging, for LATAM and its affiliates, for which they received or will receive customary fees and reimbursement of expenses. In particular, certain of the Initial Purchasers and their respective affiliates are

also lenders under a secured credit facility and/or other secured facilities and letters of credit available to LATAM, and affiliates of Citigroup Global Markets Inc. act as trustee under LATAM's outstanding unsecured notes and certain of LATAM's outstanding secured notes, as collateral and co-collateral trustee under the secured notes and a secured credit facility available to LATAM and as the administrative agent under such credit facility. In addition, Deutsche Bank Securities Inc. is a hedging counterparty to LATAM and TLA, affiliates of Natixis Securities Americas LLC act as security trustee under certain of LATAM's secured financings and an affiliate of Natixis Securities Americas LLC is acting as the Depositary as well as the Liquidity Provider for the Class A Certificates and the Class B Certificates in this Offering.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may make or hold, through long or short positions, a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of LATAM (directly, as collateral securing other obligations or otherwise). The Initial Purchasers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

If any of the Initial Purchasers or their affiliates has a lending relationship with us, certain of those Initial Purchasers or their affiliates routinely hedge, and certain other of those Initial Purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Certificates offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Certificates offered hereby.

TRANSFER RESTRICTIONS

None of the Certificates have been registered under the Securities Act and they may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Certificates are being offered and sold only (A) to persons reasonably believed to be QIBs in compliance with Rule 144A and (B) outside the United States to persons other than U.S. persons (“**non-U.S. purchasers**,” which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)) in reliance upon Regulation S. As used herein, the terms “United States” and “U.S. person” have the meanings given to them in Regulation S.

Each purchaser or transferee of Certificates will be deemed to have represented and agreed as follows:

1. It is purchasing the Certificates for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is either (A) a QIB, and is aware that the sale to it is being made in reliance on Rule 144A or (B) a non-U.S. purchaser that is outside the United States (or a non-U.S. purchaser that is a dealer or other fiduciary as referred to above).
2. It acknowledges that the Certificates have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.
3. It shall not resell or otherwise transfer any of such Certificates prior to (i) the first anniversary of the last date of original issuance of the Certificates (or such shorter period of time as permitted by Rule 144(d) under the Securities Act) and (ii) such later date, if any, as may be required by applicable laws, except (A) to LATAM or any of its subsidiaries, (B) inside the United States to a QIB in a transaction complying with Rule 144A, (C) inside the United States to institutional “accredited investors” (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) (an “**Accredited Investor**”), that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to the Trustee a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Certificates (the form of which letter can be obtained from such trustee), (D) outside the United States in compliance with Rule 904 under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), (F) in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel if LATAM so requests), or (G) pursuant to an effective registration statement under the Securities Act.
4. It agrees that it will give to each person to whom it transfers the Certificates notice of any restrictions on transfer of such Certificates.
5. It acknowledges that prior to any proposed transfer of Certificates in certificated form or of beneficial interests in a Global Certificate (in each case other than pursuant to an effective registration statement) the holder of Certificates or the holder of beneficial interests in a Global Certificate, as the case may be, may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the indenture.
6. It understands that all of the Certificates will bear a legend substantially to the following effect unless otherwise agreed by the Trusts and LATAM, and by the holder thereof:

THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION OR ACCEPTANCE HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS

NOT A U.S. PERSON AND IS ACQUIRING THIS CERTIFICATE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT WITHIN ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS CERTIFICATE OR THE LAST DATE ON WHICH THIS CERTIFICATE WAS HELD BY LATAM AIRLINES GROUP S.A., THE TRUSTEE OR ANY AFFILIATE OF ANY OF SUCH PERSONS RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT (A) TO LATAM AIRLINES GROUP S.A. OR ANY OF ITS SUBSIDIARIES, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (D) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT; AND (3) AGREES THAT IF IT SHOULD RESELL OR OTHERWISE TRANSFER THIS CERTIFICATE IT WILL DELIVER TO EACH PERSON TO WHOM THIS CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. *[IN THE CASE OF RULE 144A NOTES: IN CONNECTION WITH ANY TRANSFER OF THIS CERTIFICATE PURSUANT TO CLAUSE (B) OR (D) ABOVE WITHIN ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUANCE OF THIS CERTIFICATE OR THE LAST DATE ON WHICH THIS CERTIFICATE WAS HELD BY LATAM AIRLINES GROUP S.A., THE TRUSTEE OR ANY AFFILIATE OF ANY OF SUCH PERSONS, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE AND LATAM AIRLINES GROUP S.A., TOGETHER WITH SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.]* AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE PASS THROUGH TRUST AGREEMENT CONTAINS A PROVISION REQUIRING THE REGISTRAR TO REFUSE TO REGISTER ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

7. It acknowledges that the Trustee will not be required to accept for registration of transfer any Certificates acquired by it, except upon presentation of evidence satisfactory to LATAM and the Trustee that the restrictions set forth herein have been complied with.
8. It acknowledges that the Trustee, LATAM, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the Certificates are no longer accurate, it shall promptly notify the Trustee, LATAM and the Initial Purchasers. If it is acquiring the Certificates as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations, and agreements on behalf of each account.

LEGAL MATTERS

The validity of the Certificates is being passed upon for LATAM by Clifford Chance US LLP, New York, New York, and for the Initial Purchasers by Milbank, Tweed, Hadley & McCloy LLP, New York, New York. Pinheiro Neto Advogados, Sao Paulo, Brazil will pass upon certain matters of Brazilian law. Philippi Prietocarrizosa & Uria, Santiago, Chile will pass upon certain matters of Chilean law. Morris James LLP, counsel for Wilmington Trust Company, as Trustee, will pass upon certain matters of Delaware law relating to the Pass Through Trust Agreements. Maples and Calder will pass upon certain matters of the laws of the Cayman Islands with respect to the Owners.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The financial statements incorporated in this offering memorandum by reference to the Annual Report on Form 20-F for the year ended December 31, 2014 and the effectiveness of internal control over financial reporting as of December 31, 2014 have been audited by PricewaterhouseCoopers Consultores, Auditores y Compañía Ltda., an independent registered public accounting firm, as stated in their report incorporated herein.

INDEPENDENT APPRAISERS

The references to AISI, ASG and mba and to their appraisal reports, each dated as of April 21, 2015, April 10, 2015 and April 27, 2015, respectively, are included herein in reliance upon the authority of each such firm as an expert with respect to the matters contained in its appraisal report. AISI's address is 1409 Peachtree Street, Suite 200, Atlanta, Georgia 30309, United States of America. ASG's address is 610 Herndon Parkway, Suite 600-A, Herndon, Virginia 20170, United States of America. mba's address is 2101 Wilson Boulevard, Suite 1001, Arlington, Virginia 22201, United States of America. Each of AISI, ASG and mba is certified by the International Society of Transport Aircraft Trading.

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APPENDIX II – APPRAISAL LETTERS



**Mr. Andres del Valle
LATAM Airlines Group S.A.
Pdte. Riesco 5711, 20th Floor
Las Condes Santiago, Chile**

**Sight Unseen New Base Value Opinion
17 Future Delivery LATAM Airlines Group S.A. Aircraft Portfolio**

AISI File No.: A5S032BVO-4

**Report Date: 21 April 2015
Values as of: 21 April 2015**

**Main Office: 1409 Peachtree Street, Suite 200, Atlanta, Georgia 30309
TEL: 404 870-AISI (2474) E-MAIL: mail@AISIAero**



21 April 2015

Mr. Andres del Valle
LATAM Airlines Group S.A.
Pdte. Riesco 5711, 20th Floor
Las Condes Santiago, Chile

Subject: AISI Sight Unseen New Base Value Opinion for 17 Future Delivery LATAM Airlines Aircraft Portfolio, AISI File number: A5S032BVO-4

Ref: (a) Email messages Citigroup to AISI; 06 – 21 April 2015

Dear Mr. del Valle:

Aircraft Information Services, Inc. (AISI) has been requested to offer our opinion of the sight unseen new base values as of 21 April 2015 in delivery date U.S. Dollars, for a portfolio of 11 future delivery Airbus A321-200 aircraft, with CFM56-5B3/3 engines, at 196,211 lbs. maximum takeoff weight, two future delivery Airbus A350-900 aircraft at 590,838 lbs. maximum takeoff weight with Rolls Royce Trent XWB-84 engines, and four future delivery Boeing 787-9 aircraft, with Rolls Royce Trent 1000-J engines, at 557,000 lbs. maximum takeoff weight as identified and defined in Table I and reference (a) above (the 'Aircraft').

1. **Methodology and Definitions**

The standard terms of reference for commercial aircraft value are 'base value' and 'current market value' of an 'average' aircraft. Base value is a theoretical value that assumes a hypothetical balanced market while current market value is the value in the actual market; both assume a hypothetical average aircraft condition. All other values are derived from these values. AISI value definitions are consistent with the current definitions of the International Society of Transport Aircraft Trading (ISTAT), those of 30 January 2013. AISI is a member of that organization and employs one ISTAT Certified Senior Appraiser and two ISTAT Certified Appraisers.

AISI defines a 'base value' as that of a transaction between an equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, with supply and demand of the sale item roughly in balance and with no event which would cause a short term change in the market. Base values are typically given for aircraft in 'new' condition, 'average half-life' condition, or 'adjusted' for an aircraft in a specifically described condition at a specific time.



An 'average' aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered with an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age.

Note that a stored aircraft is not an average aircraft. AISI assumes average condition unless otherwise specified in this report.

AISI also assumes that airframe, engine and component parts are from the original equipment manufacturer (OEM) and that maintenance, maintenance program and essential records are sufficient to permit normal commercial operation under a strict airworthiness authority.

'Half-life' condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval.

An 'adjusted' appraisal reflects an adjustment from half life condition for the actual condition, utilization, life remaining or time remaining of an airframe, engine or component.

A 'new' aircraft is an aircraft with no utilization, equipped with engines, buyer furnished equipment, seller furnished equipment and other equipment typical or required for the mission for which the aircraft is designed.

It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a 'current market value', which is synonymous with the older term 'fair market value' as that value which reflects the actual market conditions including short term events, whether at, above or below the base value conditions. Assumptions of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Note that for a current market value to exist, the seller may not be under duress. Current market value assumes that there is no short term time constraint to buy or sell.

AISI defines a 'distressed market value' as that value which reflects the actual market condition including short term events, when the market for the subject aircraft is so depressed that the seller is under duress. Distressed market value assumes that there is a time constraint to sell within a period of less than 1 year. All other assumptions remain unchanged from that of 'current market value'.



AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft when the seller is not under duress. AISI encourages the use of distressed market values to consider the probable near term value of an aircraft when the seller is under duress.

No physical inspection of the Aircraft or their essential records was made by AISI for the purposes of this report, nor has any attempt been made to verify information provided to us, which is assumed to be correct and applicable to the Aircraft.

It should be noted that the values given are not directly additive, that is, the total of the given values is not the value of the fleet but rather the sum of the values of the individual aircraft if sold individually over time so as not to exceed demand.

2. **Valuations**

The A350-900 and 787-9 aircraft are assumed to be capable of 330 minute ETOPS operation with the avionics and equipment necessary for that capability. The A350-900 aircraft are equipped with both overhead flight crew and cabin crew rest facilities. The 787-9 aircraft are equipped with overhead flight crew rest facilities.

It is our considered opinion that the sight unseen new base values as of 21 April 2015 in delivery date U.S. Dollars are as follows in Table I subject to the assumptions, definitions, and disclaimers herein.



Table I

Aircraft Type	Delivery Date	Aircraft Reference	MTOW (Lbs.)	Engines	New Base Value Delivery Date U.S. Dollars
A321-200	Jul-15	Rank 96	196,211	CFM56-5B3/3	\$55,420,000
A321-200	Sep-15	Rank 72	196,211	CFM56-5B3/3	\$55,600,000
A321-200	Oct-15	Rank 93	196,211	CFM56-5B3/3	\$55,690,000
A321-200	Oct-15	Rank 112	196,211	CFM56-5B3/3	\$55,690,000
A321-200	Dec-15	Rank 103	196,211	CFM56-5B3/3	\$55,880,000
A321-200	Dec-15	Rank 113	196,211	CFM56-5B3/3	\$55,880,000
A321-200	Dec-15	Rank 114	196,211	CFM56-5B3/3	\$55,880,000
A321-200	Jan-16	Rank 92	196,211	CFM56-5B3/3	\$55,970,000
A321-200	Feb-16	Rank 120	196,211	CFM56-5B3/3	\$56,060,000
A321-200	Mar-16	Rank 135	196,211	CFM56-5B3/3	\$56,150,000
A321-200	Mar-16	Rank 136	196,211	CFM56-5B3/3	\$56,150,000
A350-900	Dec-15	24	590,838	Trent XWB-84	\$149,670,000
A350-900	Feb-16	27	590,838	Trent XWB-84	\$150,160,000
B787-9	Aug-15	38478	557,000	Trent 1000-J	\$137,200,000
B787-9	Sep-15	38479	557,000	Trent 1000-J	\$137,420,000
B787-9	Dec-15	38461	557,000	Trent 1000-J	\$138,110,000
B787-9	Jan-16	38459	557,000	Trent 1000-J	\$138,330,000



Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in any of the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. AISI certifies that this report has been independently prepared and it reflects AISI's conclusions and opinions which are judgments that reflect conditions and values current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any party's action or failure to act as a result of reliance or alleged reliance on this report.

AISI consents to the inclusion of this appraisal report in the Offering Memorandum and to the references to AISI's name in the Offering Memorandum on the caption "Independent Appraisers".

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

A handwritten signature in black ink that reads 'Dave Miller'. The signature is written in a cursive, flowing style.

Dave Miller
Certified Appraiser, International Society of Transport Aircraft Trading

A handwritten signature in black ink that reads 'Mark D. Halsor'. The signature is written in a bold, blocky style.

Mark D. Halsor
Certified Appraiser, International Society of Transport Aircraft Trading

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Desktop Valuation Report

Aviation Specialists Group, Inc. (“ASG”) has been engaged by LATAM Airlines Group S.A. (“Client”) to provide a desktop valuation setting forth ASG’s opinion as to Base Values at delivery dates for those seventeen A321-200s, A350-900s and 787-9s described in more detail in the Aircraft Descriptions and Values table in the Aircraft Values section of this report.

This report contains the following sections:

- ▶ Desktop Valuation Assumptions
- ▶ Value Definition and Explanations
- ▶ Aircraft Values
- ▶ Covenants

Desktop Valuation Assumptions

By definition, in a desktop valuation the appraiser does not see the subject aircraft or review its specifications and technical documents; consequently, he must make certain assumptions. Regarding the aircraft itself, unless specifically stated otherwise, ASG assumes:

- ▶ It is of average specification for its type and age and has no special equipment or characteristics which would materially affect its value.
- ▶ Its utilization in terms of hours and cycles is average for its type and age.
- ▶ It is in passenger or freighter configuration as appropriate.
- ▶ It is certificated and operated under the aegis of a major airworthiness authority such as the FAA or EASA.
- ▶ It is in average physical condition and its maintenance records and documents are in compliance with all applicable regulations and good industry practices. Required back to birth records are on hand and in good order and only original equipment manufacturer parts are in use in the aircraft and engines.
- ▶ With regard to maintenance status, for a new aircraft the airframe, engines, landing gear and other major life/time-limited components are new with all warranties in place and then age at an average rate of usage until they reach halflife, halftime condition. For a mature aircraft, all such components are in halflife, halftime condition.
- ▶ It has no history of major damage.
- ▶ It complies with applicable Airworthiness Directives and mandatory Service Bulletins.

In developing values, ASG makes two further assumptions:

- ▶ That the aircraft will be sold as a single unit or as part of a small lot. It will not be the subject of a fleet sale which could result in a price discount.
- ▶ That the aircraft is *not* subject to an existing lease. ASG’s opinion of values excludes the effects of attached lease rental streams and tax benefits, either of which can have a material effect on an aircraft’s actual purchase price.

Value Definition and Explanations

ASG uses the ISTAT definition for Base Value which is:

- **Base Value** is an appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". An aircraft's Base Value is founded in the historical trend of values and in the projection of value trends and presumes an arm's length, cash transaction between willing, able and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing. In most cases, the **Base Value** of an aircraft assumes its physical condition is average for an aircraft of its type and age, and its maintenance time status is at mid-life, mid-time (or benefitting from an above average maintenance status if it is new or nearly new, as the case may be).

Aircraft Values

ASG's opinions of Base Values at delivery date for the subject aircraft are set forth in millions of U.S. dollars in the following table:

Aircraft Descriptions and Values (in US\$ millions) as of April 9, 2015

Aircraft Type	Delivery Date	MTOW (lb)	Aircraft Reference	Engine	Sharklets	Base Value at Delivery Date
A321-200	Jul-2015	196,211	Rank 96	CFM56-5B3/3	yes	\$52.7
A321-200	Sep-2015	196,211	Rank 72	CFM56-5B3/3	yes	\$52.7
A321-200	Oct-2015	196,211	Rank 93	CFM56-5B3/3	yes	\$52.9
A321-200	Oct-2015	196,211	Rank 112	CFM56-5B3/3	yes	\$52.9
A321-200	Dec-2015	196,211	Rank 103	CFM56-5B3/3	yes	\$52.9
A321-200	Dec-2015	196,211	Rank 113	CFM56-5B3/3	yes	\$52.9
A321-200	Dec-2015	196,211	Rank 114	CFM56-5B3/3	yes	\$52.9
A321-200	Jan-2016	196,211	Rank 92	CFM56-5B3/3	yes	\$53.2
A321-200	Feb-2016	196,211	Rank 120	CFM56-5B3/3	yes	\$53.2
A321-200	Mar-2016	196,211	Rank 135	CFM56-5B3/3	yes	\$53.2
A321-200	Mar-2016	196,211	Rank 136	CFM56-5B3/3	yes	\$53.2
A350-900	Dec-2015	590,838	24	RR Trent XWB-84		\$143.4
A350-900	Feb-2016	590,838	27	RR Trent XWB-84		\$144.1
B787-9	Aug-2015	557,000	38478	RR TRENT 1000		\$138.0
B787-9	Sep-2015	557,000	38479	RR TRENT 1000		\$138.0
B787-9	Dec-2015	557,000	38461	RR TRENT 1000		\$139.0
B787-9	Jan-2016	557,000	38459	RR TRENT 1000		\$140.1

Covenants

In accordance with ISTAT's Principles of Appraisal Practice and Code of Ethics, this report has been prepared for the exclusive use of Client; ASG will not provide it to any other party without the express consent of Client. ASG has no present or contemplated interest in the subject equipment or any similar equipment nor does it have any other interest which might tend to prevent it making a fair and unbiased appraisal.

This report fairly represents ASG's opinion of the subject equipment's value. In reaching its value opinions, ASG has relied upon information provided by Client. ASG does not assume responsibility or legal liability for any actions taken, or not taken, by Client or other parties with regard to the equipment. By accepting this report, all parties agree that ASG shall bear no such responsibility or legal liability including liability for special or consequential damages.

ASG consents to the inclusion of this appraisal report in the Offering Memorandum and to the references to ASG's name in the Offering Memorandum on the caption "Independent Appraisers."

For Aviation Specialists Group, Inc.



Fred J. Klein
ISTAT-certified Senior Appraiser and Appraiser Fellow
International Society of Transport Aircraft Trading



Desktop Appraisal of:
Seventeen (17) Various Aircraft

Client:
LATAM Airlines Group S.A.

Date:
May 1, 2015

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I. Introduction and Executive Summary

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Morten Beyer & Agnew (“mba”) has been retained by LATAM Airlines Group S.A. (the “Client”) to provide a Desktop Appraisal to determine the Base Value at Delivery of seventeen (17) various aircraft, as of April 2015. The aircraft are fully identified in Section IV of this report.

In performing this appraisal, mba relied on industry knowledge and intelligence, confidentially obtained data points, its market expertise and current analysis of market trends and conditions, along with value information from its semiannual publication **Future Aircraft Values (“FAV”) – Jet Transport Plus, January 2015**.

Based on the information set forth in this report, it is our opinion that the total Base Value at Delivery of the aircraft in this portfolio is as follows and as set forth in Section IV.

	Base Value at Delivery (US\$)
(17) Aircraft Total	\$1,422,730,000

Section II of this report presents definitions of various terms, such as Current Base Value and Current Market Value as promulgated by the Appraisal Program of the International Society of Transport Aircraft Trading (ISTAT). ISTAT is a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, brokers, and others who have a vested interest in the commercial aviation industry and who have established a technical and ethical certification program for expert appraisers.



II. Definitions

Desktop Appraisal

A desktop appraisal is one which does not include any inspection of the aircraft or review of its maintenance records. It is based upon assumed aircraft condition and maintenance status or information provided to the appraiser or from the appraiser's own database. A desktop appraisal would normally provide a value for a mid-time, mid-life aircraft (ISTAT Handbook).

Base Value

ISTAT defines Base Value as the Appraiser's opinion of the underlying economic value of an aircraft, engine, or inventory of aircraft parts/equipment (hereinafter referred to as "the asset"), in an open, unrestricted, stable market environment with a reasonable balance of supply and demand. Full consideration is assumed of its "highest and best use". An asset's Base Value is founded in the historical trend of values and in the projection of value trends and presumes an arm's-length, cash transaction between willing, able, and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing. In most cases, the Base Value of an asset assumes the physical condition is average for an asset of its type and age. It further assumes the maintenance time/life status is at mid-time, mid-life (or benefiting from an above-average maintenance status if it is new or nearly new, as the case may be). Since Base Value pertains to a somewhat idealized asset and market combination it may not necessarily reflect the actual current value of the asset in question, but is a nominal starting value to which adjustments may be applied to determine an actual value. Because it is related to long-term market trends, the Base Value definition is commonly applied to analyses of historical values and projections of residual values.

Qualifications

mba is a recognized provider of aircraft and aviation-related asset appraisals and inspections. mba and its principals have been providing appraisal services to the aviation industry for over 20 years; and its employees adhere to the rules and ethics set forth by the International Society of Transport Aircraft Trading ("ISTAT"). mba's clients include most of the world's major airlines, lessors, financial institutions, and manufacturers and suppliers. mba maintains offices in North America and Asia.

mba publishes the semiannual *Future Aircraft Values* ("FAV"), a two-volume compendium of current and projected aircraft values for the next 20 years for over 150 types of jet, turboprop and cargo aircraft.

mba also provides consulting services to the industry relating to operations, marketing, and management with emphasis on financial/operational analysis, airline safety audits and certification, utilizing hands-on solutions to current situations. mba also provides expert testimony and witness support on cases involving collateral/asset disputes, bankruptcies, financial operations, safety, regulatory and maintenance concerns.

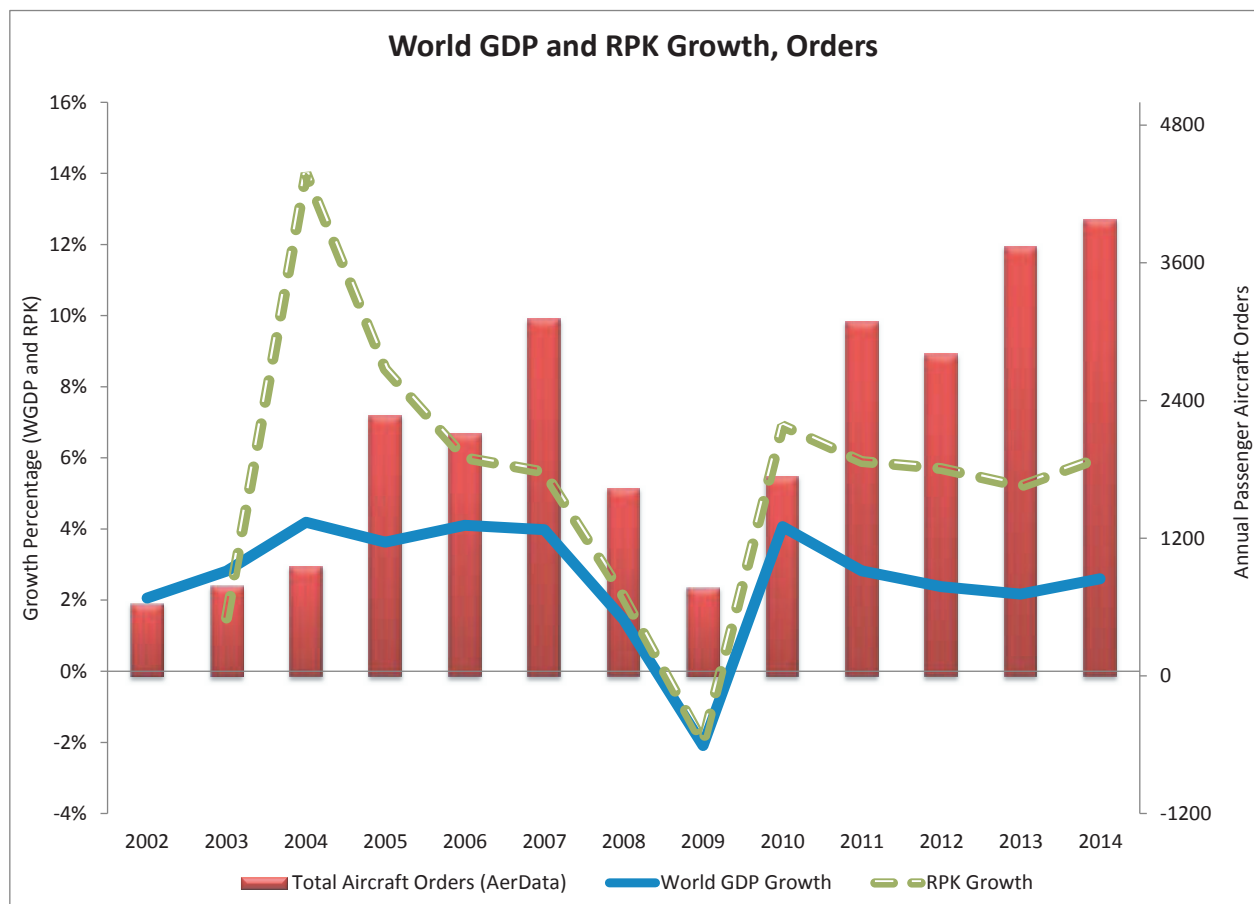
III. Current Market Conditions

General Market Observation – 1st Quarter 2015

An essential consideration in any appraisal is market condition at the time the valuation is rendered. In this section we describe market conditions associated with the valuation. The first part of the section provides a general market commentary highlighting major factors currently influencing aircraft values. The second part contains the mba view of the current market situation for each aircraft type valued in this analysis.

Passenger demand and jet fuel prices are two of the most significant factors influencing commercial transport aircraft values. Increases in passenger demand have a positive impact while changes in fuel prices have a different impact depending on the technology level of the asset. There are many other considerations that drive values of a specific aircraft type and model including: age, number of operators, regional distribution, total number in use, production status, and order backlog, among others.

Passenger demand has been shown over the years to have a strong correlation with Gross Domestic Product (“GDP”). As shown in the following table, this correlation also extends to orders for new aircraft.



Source: iata.org as of November 2014; AerData; worldbank.org as of January 2015

Underlying all of this is the historical and future predicted passenger growth on the order of 5.0% per year by manufacturers and government agencies alike, which exceeds short term World Bank global GDP predictions. The International Air Transport Association (“IATA”) reports that in November 2014, global passenger traffic (RPK)¹ showed year-on-year growth of 6.0% compared to November 2013. Year-to-date (“YTD”) comparison as of November 2014 shows a 6.1% increase in international RPK worldwide, an increase in domestic RPK of 5.3% worldwide, and a total traffic increase of 5.8% worldwide.

For regional total traffic, both international and domestic, according to IATA, Middle Eastern carriers experienced the strongest YTD rate of increase, up 12.9%. Latin America total air traffic YTD was up 6.0% while Asia/Pacific saw a 5.6% increase. European total traffic YTD increased 5.7% over 2013 and passenger load factor was the highest of all regions at 81.8%. North America reported an YTD increase in total traffic of 3.1% and Africa showed a 1.1% YTD growth. Based on the above, all regions are showing positive traffic growth for the year. Passenger capacity (ASK)² also showed growth across all regions commensurate with traffic growth, however international load factors dropped slightly from 79.7% in October 2014 to 79.3% in November 2014.

Growth in air freight markets as reported by IATA for November 2014 continued to show positive signs of recovery, despite a weakening in business confidence. Total market growth worldwide was 4.2% year-on-year November 2013 vs November 2014, YTD growth was 4.4%, and month-to-month growth from October to November 2014 was 0.8%. There is still over capacity in the market as the AFTK³ continue to expand mostly from passenger aircraft belly cargo space. Looking on a quarter by quarter basis since January 2013, load factors have remained flat across most regions with only Asia showing factors above 50.0%. In addition to a depressed air freight market, the excess belly space on larger widebody passenger aircraft has absorbed some of the air freight loads. However, recent decreases in crude oil prices in early 2015 to less than US\$50.00 a barrel will likely help to reduce the cost of air freight and aid in recovery of both load factors and overall freight volumes.

The manufacturers’ order books and delivery reports are remarkably healthy with all-time records for both Airbus and Boeing. While both manufacturers have plans to increase production rates on popular aircraft in the next few years, there are also plans to decrease the production rate for the A330 line and anticipation that Boeing will decrease the 777 production line as both families lack the backlog needed to keep production lines open until their replacement aircraft enter production. At end December 2014, Airbus booked 1,796 gross and 1,456 net orders YTD, while Boeing booked 1,550 gross and 1,432 net orders YTD. Also YTD, Airbus has delivered 629 aircraft and Boeing has delivered 723 aircraft.

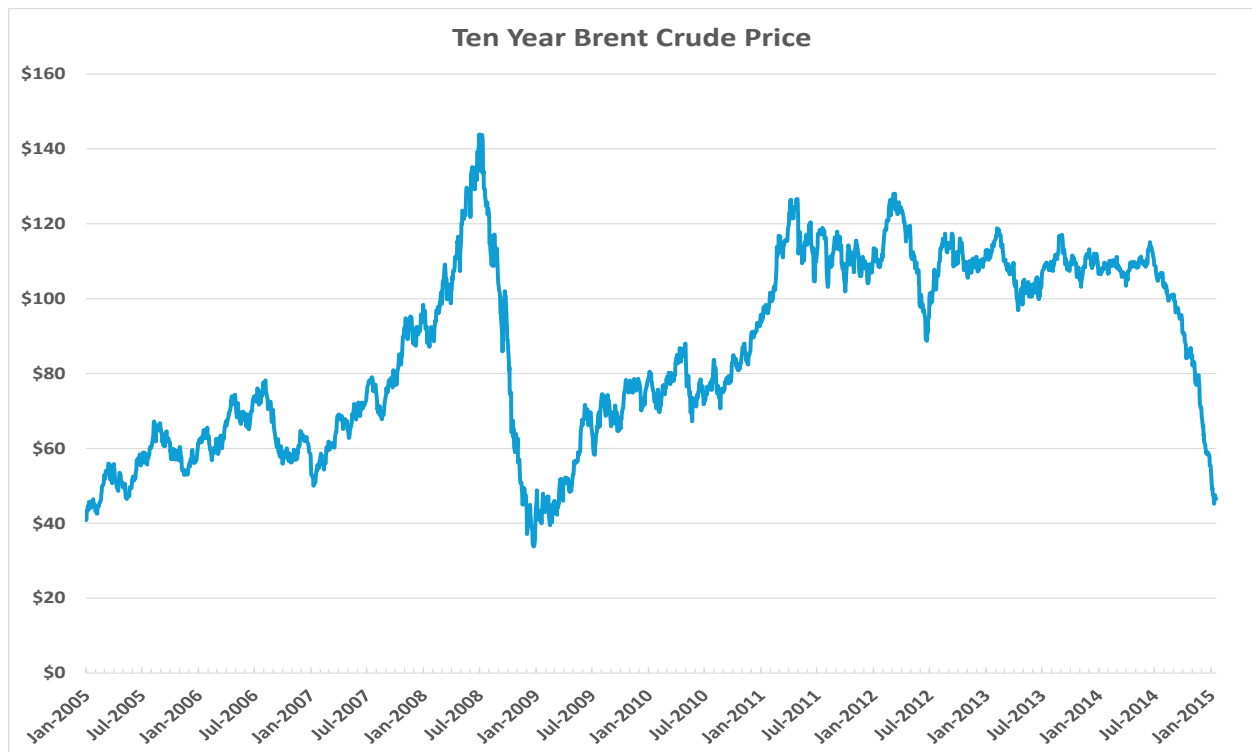
¹ RPK – Revenue Passenger Kilometers

² ASK – Available Seat Kilometers

³ AFTK – Available Freight Tonne Kilometers

At the current order rate of approximately 120 aircraft (widebody and narrowbody) per month for each manufacturer and delivery rates of approximately 52 per month for Airbus and 60 per month for Boeing, the backlog for each manufacturer is growing at about 800 and 700 aircraft per year, respectively. The Boeing backlog is now at 5,789 aircraft and the Airbus backlog is at 6,386; both backlogs represent about nine years of production.

Oil Prices during the latter half of 2014 have fallen dramatically from a range of US\$100.00 to US\$125.00 per barrel for Brent Crude over the past three years to the lowest prices since 2009. Prices have tumbled since August to approximately US\$48.00 per barrel at the end of January 2015.



Source: Energy Information Agency, www.eia.gov

The big question now is whether this drop in oil price is the beginning of a new lower plateau or just a short term response to current events, such as witnessed in the summer of 2008 and, less dramatically, in the spring of 2012. Oil-price.net offers the opinion that the production of shale oil in the US is strong enough to promise a permanent lowering of the price per barrel of crude to the low US\$80s range. The Oil-price.net estimates that it takes US\$80.00 per barrel to sustain US production, while at the same time Saudi Arabia production costs require US\$50.00 per barrel and Saudi Arabia does not want to surrender market share to US oil producers. In addition, OPEC cut its estimate for oil demanded of OPEC sources stating they expect demand to fall below 28.2 million barrels per day by the end of 2017.

At the end of January 2015, the Financial Times quoted OPEC Secretary-General, Abdalla El-Badri, stating he believes oil prices at US\$45.00-US\$50.00 per barrel have reached “a bottom” but does not know how long these levels will be seen. However, Mr. El-Badri also commented that OPEC would not allow non-OPEC producers to take any of its members’ market share, implying competition could keep the prices in check, as non-OPEC members have increased output by 7½ million barrels per day. These actions may portend a semi-permanent reduction in crude oil prices to the range of US\$80.00-US\$90.00 per barrel for the near term. This will likely help to maintain values of older current generation aircraft however as the next generation of aircraft are already heavily subscribed it is unlikely that premiums of these types will be affected.

In general in the 1st quarter of 2015, mba sees a continuing healthy marketplace for the industry. Operators consistently report profits, aircraft Market Values are aligning with the Base Value even exceeding Base Value for certain types, and lower oil prices have made the operational cost of older generation and four engine aircraft more viable. A combination of growth and stability seems to be the consensus opinion for the short term. However, there are pockets of instability, such the economies of the Eurozone and Japan, and areas of political unrest, such as Ukraine and Syria, which can cause unpredictable conditions. All in all, the market is healthy with continued optimism for the near term.

Boeing 787-9 Current Market

The 787-9 is the second variant of the 787 family. Due to delays with the 787-8, the 787-9's original delivery date was pushed back by four years, from 2010 to 2014. Launch customer Air New Zealand received the first 787-9 in July 2014, however the first commercial passenger flight was performed by ANA in August 2014. The 787-9 is 6 meters longer than the 787-8 and can carry 280 passengers in a typical three-class seating. The aircraft also has a Maximum Take Off Weight ("MTOW") of 557,000lbs, more than 50,000lbs above the MTOW of the 787-8, providing the variant additional range.

Overview

Positive

- Strong order book, with many orders converted from the 787-8 to the larger 787-9, showing operator enthusiasm for the mid-size variant of the family.
- As with the 787-8, the -9 offers leading technology, including a single composite material fuselage and wings, health-monitoring systems allowing the airplane to self-monitor and report maintenance requirements to the ground crew, and new GE and Rolls-Royce fuel efficient engines.
- Composite fuselage is expected to mitigate the maintenance costs and corrosion issues over the span of the aircraft's life.

Negative

- Airbus launched the A330-800/900neo in July 2014 offering increased fuel efficiency and a lower price range than the 787 family.

As of March 2015, there were 496 total 787-9 aircraft ordered by 28 customers. 20 aircraft have been delivered since launch.

<i>Fleet Status</i>	<i>787-9</i>
Net Orders	496
Backlog	476
Delivered	20
Destroyed/Retired	0
Not in Service/Parked	0
Active Aircraft	20
Number of Current Operators	7
Number of Total Customers	28
Average Fleet Age (years)	0.25

Source: AerData Jan 2015 & Boeing Mar 2015

Recent Developments

In February 2015, LATAM Airlines Group took delivery of the airline's first 787-9, on lease from AerCap (AviTrader).

In January 2015, 787-9 launch customer Air New Zealand announced an order for two additional 787-9 aircraft, bringing the total order for the carrier to 12 aircraft (AviTrader).

Demographics & Availability

United Airlines is the largest operator of 787-9s with 25.0% of the total current fleet. Virgin Atlantic Airways is the second largest operator with 20.0% of the total fleet.

Boeing 787-9 Passenger-Configured Aircraft Current Fleet by Operator/Lessor				
Operator/Lessor	In Service	Parked	Total	Total %
United Airlines	5		5	25.0%
Virgin Atlantic Airways	4		4	20.0%
Air New Zealand	3		3	15.0%
Scot Pte Ltd	2		2	10.0%
AerCap	2		2	10.0%
All Nippon Airways	2		2	10.0%
Etihad Airways	2		2	10.0%
Grand Total	20	0	20	100.0%

Source: Boeing March 2015

Based on all current orders, 47.2% have chosen the GENx-1B engines, 32.1% have chosen the Rolls-Royce Trent 1000 engines and 20.8% of the orders are undecided on engine type. mba expects the GE engines to remain the popular engine choice; however, mba assigns no value difference between the two engine types at this time.

Boeing 787-9 Passenger-Configured Aircraft Current Fleet on Order by Engine Type		
Engine Type	Ordered	Concentration
GENx-1B	234	47.2%
Trent 1000	159	32.1%
Undecided	103	20.8%
Total	496	100.0%

Source: Boeing March 2015

Outlook

After the delays and complications associated with the 787-8, the outlook for the 787-9 was uncertain. However, with positive feedback from the flight testing and continuous orders from customers, the 787-9 is on its way to becoming the workhorse of the family. Many 787-8 orders have been converted to the larger 787-9 and with the additional seating capacity, range, fuel efficiencies and growing order book, it is clear the variant will be a success. mba's outlook for the 787-9 is positive with the expectation that values for the type will escalate as the aircraft continues to prove itself in the market.

A321-200 Current Market

The A321 is a stretched version of the A320 and consists of two variants, the A321-100 and the A321-200. Apart from its longer fuselage, the A321 also features a modified wing with double slotted flaps and similar flight deck to the A319 and A320. The -200 features higher thrust engines and greater fuel capacity as well as minor structural strengthening. The first A321-200 flew in late 1996.

Overview

Positive

- Largest member of highly successful A320 family.
- Strong backlog - currently at highest level in past decade.
- Operator base is diverse by number of operators relative to fleet size.
- Freighter conversion likely in future, once values make it economically feasible, providing downstream market for type.
- Very low percentage of existing fleet currently parked.
- Wider fuselage than main competitor allows slightly increased passenger comfort and better cargo capacity in lower hold.

Neutral

- Engine choice positive for initial sales campaigns, but can limit remarketing opportunities downstream; this effect mitigated by sheer number of aircraft in fleet.
- Introduction of A321neo variant delays clean sheet replacement, but will likely affect values of youngest A321ceo aircraft produced.

Negative

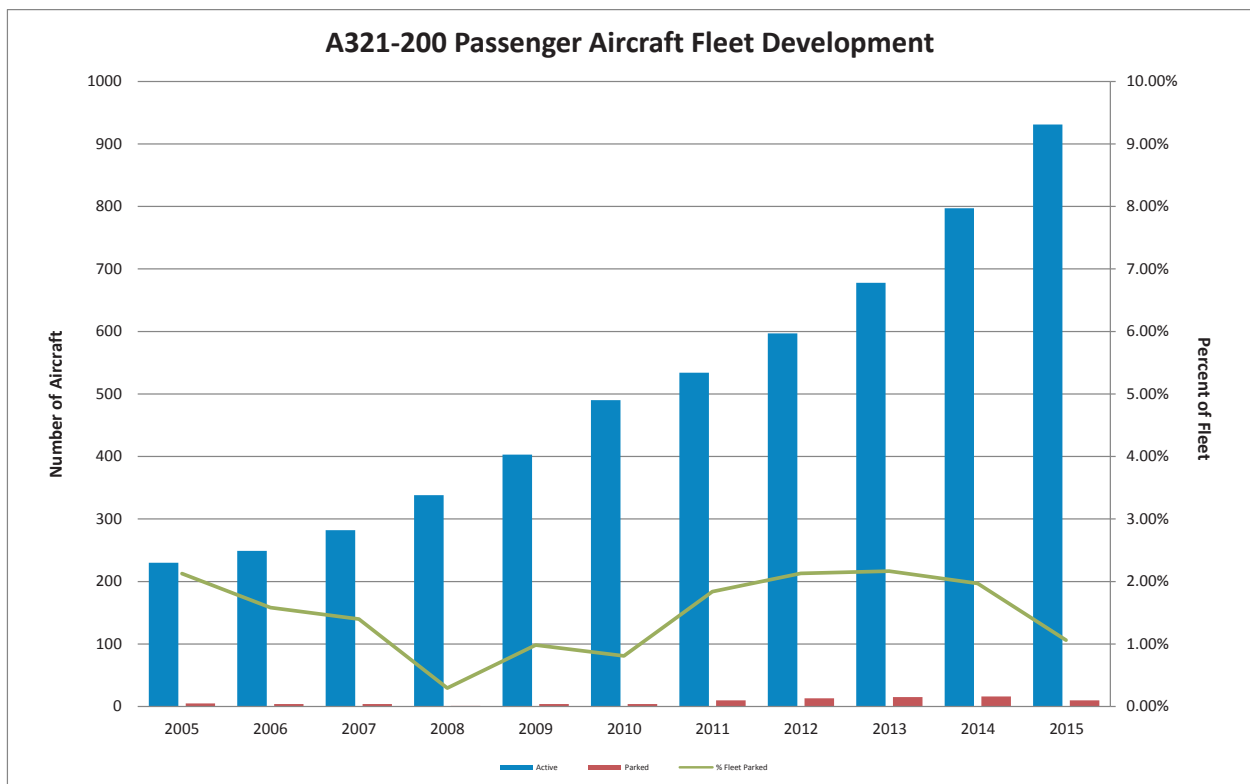
- Backlog going forward will favor A321neo, due to enter service in 2017.
- Limited market penetration within important North American region.
- Significant fleet concentration geographically, with largest two regions home to almost three quarters of fleet.

As of January 2015, there were 931 A321-200 active aircraft with 104 operators.

<i>Fleet Status</i>	A321-200
Net Orders	1,518
Backlog	573
Delivered	945
Destroyed/Retired	4
Not in Service/Parked	10
Active Aircraft	931
Number of Operators	104
Average Daily Utilization (Hrs)	8.15
Average Fleet Age (Yrs)	6.28

Source: AerData January 2015

The A321-200 fleet has grown steadily over the past ten years, quadrupling in size. The A321-200 has also had a relatively low percentage of the existing fleet reported as parked. The chart below depicts A321-200 fleet development by year, as of January of each year.



Source: ACAS through 2014, AerData January 2015

Recent Developments

In March 2015, Airbus celebrated delivery of its 9,000th aircraft, the first of seven A321-200s to be delivered to VietJetAir (AviTrader).

In October 2014, Airbus announced the first aircraft to be manufactured in its first US factory will be the A321-200 rather than the originally planned A320-200. The first aircraft is anticipated to roll out in April 2016 followed by the A321neo at a later date (aviator.aero).

In October 2014, Mexican low-cost carrier Volaris announced it will begin adding A321-200s to its fleet after signing a lease with SMBC for one A321-200 (Flightglobal).

In September 2014, Werner Aero Services announced they will be tearing down a 19 year old A321-200 with V2530-A5 engines (AviTrader).

In September 2014, Qantas announced it will be converting all 21 A321-200ceo orders to A320neos (SpeedNews).

Demographics & Availability

The A321-200 is powered by either two CFM International CFM56 or two International Aero Engines (IAE) V2500 engines. With well over half of the fleet is operated with V2500-A5 engines, mba views the V2500-A5 as the baseline engine for type. mba also distinguishes the higher thrust V2533-A5 variant as a boost in value for the type, and aircraft with CFM56-5B engines receive a small negative value adjustment.

Airbus A321-200 Aircraft Current Fleet by Engine Type				
Engine	In Service	Parked	Total	Total %
V2500-A5	608	2	610	64.8%
CFM56-5B	323	8	331	35.2%
Grand Total	931	10	941	100.0%

Source: AerData January 2015

The largest active fleet percentage lies with US Airways/American Airlines with 15.0% of the total current fleet. China Southern is the second largest operator with 8.0%.

Airbus A321-200 Aircraft Current Fleet by Operator				
Operator	In Service	Parked	Total	Total %
US AIRWAYS/AMERICAN AIRLINES	141		141	15.0%
CHINA SOUTHERN	75		75	8.0%
VIETNAM AIRLINES	51		51	5.4%
AIR CHINA	49		49	5.2%
LUFTHANSA	43		43	4.6%
TURKISH AIRLINES	43		43	4.6%
CHINA EASTERN	39		39	4.1%
AEROFLOT	26		26	2.8%
MONARCH AIRLINES	26		26	2.8%
ASIANA	25		25	2.7%
SICHUAN AIRLINES	22		22	2.3%
LATAM	21		21	2.2%
AIR FRANCE	20		20	2.1%
AIR INDIA	20		20	2.1%
All Others	330	10	340	36.1%
Grand Total	931	10	941	100.0%

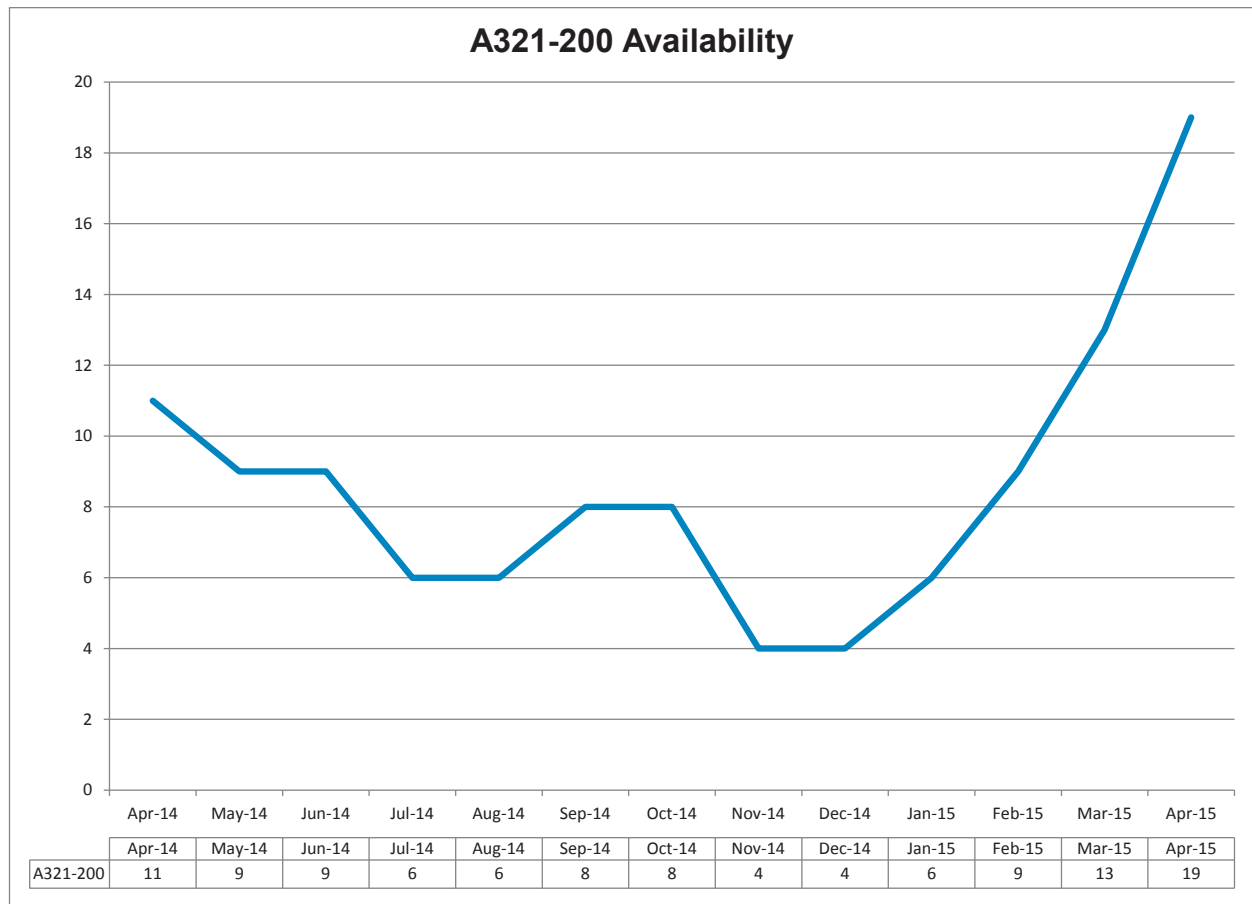
Source: AerData January 2015

Even with a North American carrier holding the largest A321-200 fleet, 37.9% of the fleet is concentrated in Asia and 35.5% in Europe. Combined, the two regions account for almost three quarters of the total current fleet.

Airbus A321-200 Aircraft Current Fleet by Region				
Region	In Service	Parked	Total	Total %
Asia	352	5	357	37.9%
Europe	331	3	334	35.5%
North America	167	1	168	17.9%
Middle East	40	1	41	4.4%
South America	27		27	2.9%
Australia and Pacific	6		6	0.6%
Africa	5		5	0.5%
Central America and Caribbean	3		3	0.3%
Grand Total	931	10	941	100.0%

Source: AerData January 2015

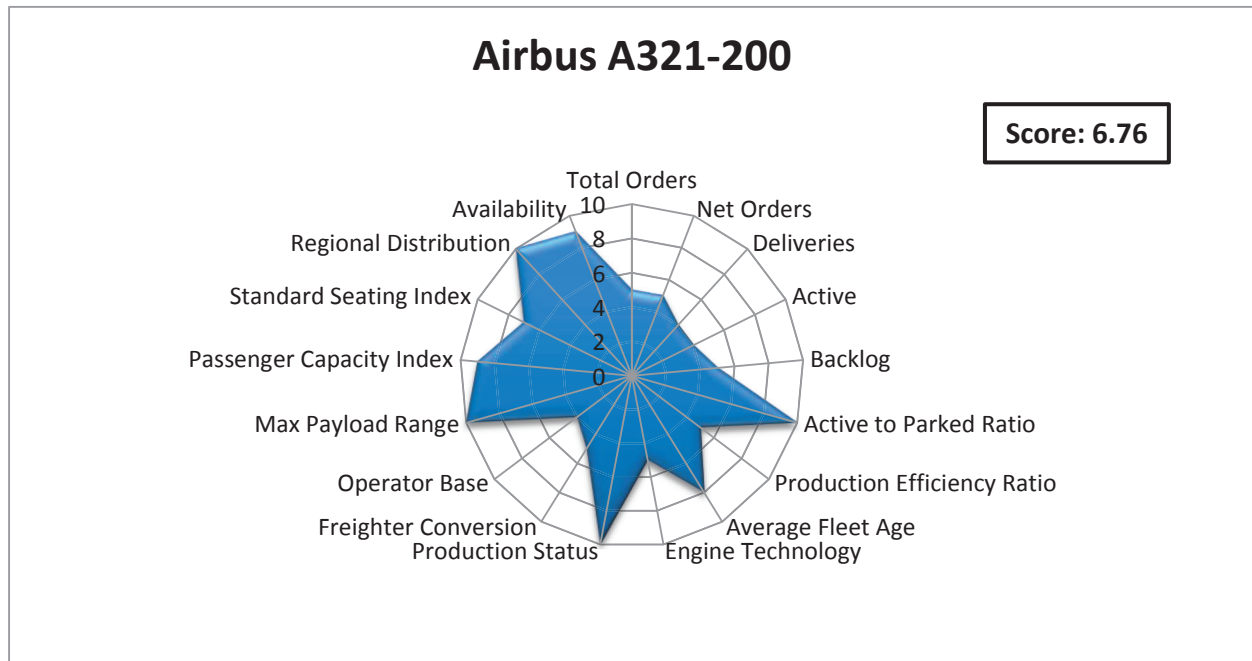
According to Airfax, as of April 2015, there are 19 A321-200s available for sale or lease.



Source: Airfax April 2014 – April 2015

Aircraft Ranking

mba's Aircraft Ranking model takes into account numerous factors that affect an aircraft's market standing, on a scale specifically developed for each asset class. These ranking factors are individually weighted and compared against each other to develop mba's overall ranking score for each aircraft type, which is expressed in a scale of 1.00 to 10.00. The most prevalent aircraft configurations are used in the ranking analysis which can be further identified in mba's Future Aircraft Values "Redbook" publication or its web based valuation service, Redbook Online.



Source: mba FAV Jet Transport PLUS, 1st Half 2015

Outlook

The short- to mid-term outlook for the A321-200 is positive during the period prior to the introduction of the A321neo, and throughout the end of its production run. The aircraft currently has its largest order backlog in a decade, and the A321-200 should benefit from the fact that the A321neo will be the last of the major A320 family variants to enter service, scheduled for 2017. The aircraft seems to be well positioned in terms of passenger capacity vis-à-vis the current demand in the narrowbody sector, as orders have been trending toward the larger variants over smaller siblings. The order book for the A321-200 remains robust, although how much of this is due to lack of availability of the neo variant remains unclear.

As with the A320-200, the mid- and long-term outlook will be shaped by the presumed success of the A321neo. While not a true clean sheet replacement, the modified variant represents a break in production and the last A321-200s manufactured will suffer the most from a value perspective. The A321neo has been very popular with operators and holds 581 orders or 21.7% of the neo backlog, with the A320neo being the most popular of the family as of April 2014. The last off the line also affects the A321 similar to the A320. Airbus originally announced the production rate would remain steady at 44 aircraft a month during the switch from a ceo to neo production line, therefore the last off the line aircraft values may not being as heavily impacted. However, in March 2014 Airbus announced they were planning a production hike of Boeing has announced it will be ramping up production for the competitor to the neo, the 737MAX, from 42 currently to 47 per month in 2017, similar to when the NG's replaced the Classics. The last two years of production of the Classics depreciated in value at a significantly faster rate than earlier build aircraft. The A321ceo is likely to face the same dilemma with 2017 and 2018 build A320ceos, though Airbus claims keeping a steady production rate should help keep values steady.

While the earlier version of Boeing's 737-900 saw very limited success in the market, the 737-900ER of late has proven to be a strong competitor to the A321 aircraft, particularly in light of the end of production of the 757. While Boeing will surely continue to offer successful competitor aircraft to the A321-200, the narrowbody market has been able to accommodate fleets of both types and we expect this to continue into the future.

Airbus A350-900 Current Market

The A350 XWB is a family of twin engine, wide body airliners developed by Airbus. The prototype A350 first flew in June 2013 with European Aviation Safety Agency granting type certification to the A350 in September 2014 and type certification from the US Federal Aviation Agency following in January 2015. There were originally three variants of the family planned: -800, -900, -1000, however the -800 variant will be replaced by the A330NEO despite Airbus listing the type as active. The -900 is the first family member to enter service. There are two different thrust-rated Trent XWB engine types from Rolls Royce to power the A350 variants.

The A350-900 entered commercial service in January 2015 with Qatar Airways. The A350-900 seats 315 passengers in a two class configuration with a maximum seating of up to 440 depending on door configuration. With its capacity and a design range of 8,100NM, it is designed to compete with Boeing's 777 and 787 models, while replacing the Airbus A340-300.

Overview

Positive

- Common Type Rating with A330s reduces pilot training time for operators of both types.
- Healthy backlog of orders with a somewhat broad operating base.
- The design economics of the type are optimized for the -900 offering allowing a family concept to benefit from enhanced operation efficiency.

Negative

- Orders for the type have been sluggish with only six net orders since November 2013.

There are currently two active A350-900 aircraft with one operator, Qatar Airways.

<i>Fleet Status</i>	A350-900
Ordered	679
Cancelled/Transferred	84
Net Orders	595
Backlog	593
Delivered	2
Destroyed/Retired	0
Not in Service/Parked	0
Active Aircraft	2
Number of Customers	36

Source: Airbus April 2015

Recent Developments

In April 2015, Airbus announced its first long term agreement for A350 aftermarket support showing that it intends to be a “major” player in the space. (Aviation Week)

In March 2015, Qatar Airways took delivery of the second A350-900. (aviator.aero)

In January 2015, Airbus announced that it was considering changes to the A350-1000 which would offer up to 20 additional seats. (Aviation Daily)

In November 2014, Delta placed a firm order for 25 A350-900 and A330-900neo aircraft. (Airbus)

In June 2014, Airbus announced the cancellation of 70 A350's by Emirates, the second largest customer for the type. (Reuters)

Demographics & Availability

The A350-900 is offered with a single source engine manufacturer, a departure from previous Airbus aircraft. The engine, the Rolls-Royce Trent XWB, was designed for the A350 powering both the -900 and -1000 variants in an 84,000lb and 97,000lb thrust variant.

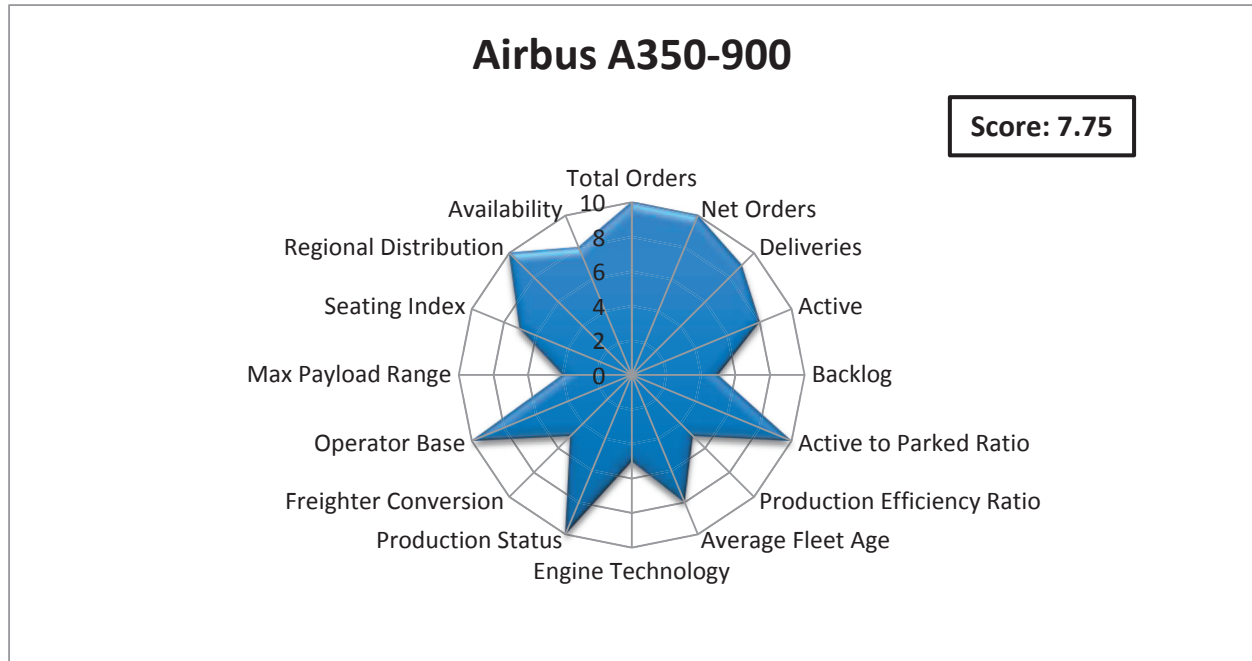
Currently there are 595 aircraft on order by thirty six different operators. The A350-900 on order fleet is presented below by operator and region with the three largest orders from Singapore, Qatar and Etihad.

Airbus A350-900 Passenger Aircraft Current Orders by Operator/Lessor	
Operator/Lessor	Orders
SINGAPORE AIRLINES	70
QATAR AIRWAYS	43
ETIHAD AIRWAYS	40
LATAM AIRLINES GROUP S.A.	27
AIR FRANCE-KLM GROUP	25
DELTA AIR LINES	25
LUFTHANSA	25
US AIRWAYS/AMERICAN AIRLINES	22
AERCAP	20
AIR LEASE CORPORATION	20
CATHAY PACIFIC	20
FINNAIR	19
JAPAN AIRLINES	18
HONG KONG AIRLINES	15
AEROFLOT	14
CHINA AIRLINES	14
CIT	14
ALAFCO	12
ASIANA AIRLINES	12
ETHIOPIAN AIRLINES	12
TAP PORTUGAL	12
AFRIQIYAH AIRWAYS	10
AIRASIA X	10
AIR CHINA	10
KUWAIT AIRWAYS	10
SYNERGY AEROSPACE	10
VIETNAM AIRLINES	10
YEMENIA - YEMEN AIRWAYS	10
AER LINGUS	9
IBERIA	8
SCANDINAVIAN AIRLINES	8
LIBYAN AIRLINES	6
AIR MAURITIUS	4
SRILANKAN AIRLINES	4
THAI	4
AWAS	2
Governments; Executive and Private Jets	1
Total	595

Source: Airbus April 2015

Aircraft Ranking

mba's Aircraft Ranking model takes into account numerous factors that affect an aircraft's market standing, on a scale specifically developed for each asset class. These ranking factors are individually weighted and compared against each other to develop mba's overall ranking score for each aircraft type, which is expressed in a scale of 1.00 to 10.00. The most prevalent aircraft configurations are used in the ranking analysis which can be further identified in mba's Future Aircraft Values "Redbook" publication or its web based valuation service, Redbook Online.



Source: mba FAV Jet Transport PLUS, 1st Half 2015

Outlook

The A350-900 has seen success as it entered in the market. A more conservative introduction of the type may have helped the aircraft gain gradual success as opposed to the problems with the 787 introduction and order book early on. With its efficiency, capacity and performance the A350 is expected to be a successful family. Values for the type are expected to rise in the near term as early discounted aircraft are delivered and give way to the market base. Future values for the type are expected to perform according to initial expectations unless significant performance decrements are identified for early build aircraft.

IV. Valuation

In developing the Values of the aircraft in this portfolio, mba did not inspect the aircraft or the records and documentation associated with the aircraft, but relied on partial information supplied by the Client. This information was not independently verified by mba. Therefore, we used certain assumptions that are generally accepted industry practice to calculate the value of aircraft when more detailed information is not available.

The principal assumptions for the aircraft in this portfolio are as follows:

1. The aircraft is in good overall condition;
2. The overhaul status of the airframe, engines, landing gear and other major components are the equivalent of mid-time/mid-life, or new, unless otherwise stated;
3. The historical maintenance documentation has been maintained to acceptable international standards;
4. The specifications of the aircraft are those most common for an aircraft of its type and vintage;
5. The aircraft is in a standard airline configuration;
6. The aircraft is current as to all Airworthiness Directives and Service Bulletins;
7. Its modification status is comparable to that most common for an aircraft of its type and vintage;
8. Its utilization is comparable to industry averages;
9. There is no history of accident or incident damage; and
10. In the case of the Base and Market Value, no accounting is made for lease revenues, obligations or terms of ownership unless otherwise specified.

Aircraft Portfolio					
No.	Aircraft Type	Rank / Serial Number	Manufacture Date	MTOW (lbs)	Engine Type
1	A321-200	Rank 96	Jul-15	196,211	CFM56-5B3/3
2	A321-200	Rank 72	Sep-15	196,211	CFM56-5B3/3
3	A321-200	Rank 93	Oct-15	196,211	CFM56-5B3/3
4	A321-200	Rank 112	Oct-15	196,211	CFM56-5B3/3
5	A321-200	Rank 103	Dec-15	196,211	CFM56-5B3/3
6	A321-200	Rank 113	Dec-15	196,211	CFM56-5B3/3
7	A321-200	Rank 114	Dec-15	196,211	CFM56-5B3/3
8	A321-200	Rank 92	Jan-16	196,211	CFM56-5B3/3
9	A321-200	Rank 120	Feb-16	196,211	CFM56-5B3/3
10	A321-200	Rank 135	Mar-16	196,211	CFM56-5B3/3
11	A321-200	Rank 136	Mar-16	196,211	CFM56-5B3/3
12	A350-900	24	Dec-15	590,838	RR Trent XWB-84
13	A350-900	27	Feb-16	590,838	RR Trent XWB-84
14	787-9	38478	Aug-15	557,000	RR TRENT 1000
15	787-9	38479	Sep-15	557,000	RR TRENT 1000
16	787-9	38461	Dec-15	557,000	RR TRENT 1000
17	787-9	38459	Jan-16	557,000	RR TRENT 1000

Portfolio Valuations (US\$ Million)									
No.	Aircraft Type	Rank / Serial Number	BV w/Newness	MTOW Adj.	Winglet Adj.	Engine Adj.	IFE Adj.	ACT Adj.	BV at Delivery
1	A321-200	Rank 96	\$53.31	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$52.81
2	A321-200	Rank 72	\$53.39	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$52.89
3	A321-200	Rank 93	\$53.44	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$52.94
4	A321-200	Rank 112	\$53.44	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$52.94
5	A321-200	Rank 103	\$53.53	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$53.03
6	A321-200	Rank 113	\$53.53	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$53.03
7	A321-200	Rank 114	\$53.53	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$53.03
8	A321-200	Rank 92	\$53.57	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$53.07
9	A321-200	Rank 120	\$53.62	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$53.12
10	A321-200	Rank 135	\$53.66	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$53.16
11	A321-200	Rank 136	\$53.66	\$0.00	\$0.00	(\$0.50)	\$0.00	\$0.00	\$53.16
12	A350-900	24	\$150.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150.25
13	A350-900	27	\$150.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150.50
14	787-9	38478	\$134.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$134.42
15	787-9	38479	\$134.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$134.53
16	787-9	38461	\$134.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$134.87
17	787-9	38459	\$134.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$134.98
Total			\$1,428.23	\$0.00	\$0.00	(\$5.50)	\$0.00	\$0.00	\$1,422.73

Legend for Portfolio Valuation –

BV w/Newness -	Base Value adjusted for Month of Build
MTOW Adj. -	Maximum Take-Off Weight Adjustment
Winglet Adj. -	Adjustment for Winglets/Sharklets (if applicable)
Engine Adj. -	Adjustment for Engine Type
IFE Adj. -	Adjustment for In-Flight Entertainment (if applicable)
ACT Adj. -	Adjustment for Auxiliary Centre Tank (if applicable)
BV at Delivery -	Base Value at Aircraft Delivery Date

V. Covenants

This report has been prepared for the exclusive use of LATAM Airlines Group S.A. and shall not be provided to other parties by mba without the express consent of LATAM Airlines Group S.A. mba consents to the inclusion of this appraisal report in the Offering Memorandum and to the references to mba's name in the Offering Memorandum on the caption "Independent Appraisers. mba certifies that this report has been independently prepared and that it fully and accurately reflects mba's and the signatory's opinion of the values of the subject aircraft as requested. mba further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft and engines. Neither mba nor the signatory has provided the OEMs of the airframe or engines with pro bono or paid consulting or advice in the design or development of the assets valued herein.

This report represents the opinion of mba of the values of the subject aircraft as requested and is intended to be advisory only, in nature. Therefore, mba assumes no responsibility or legal liability for any actions taken, or not taken, by LATAM Airlines Group S.A. or any other party with regard to the subject aircraft and engine. By accepting this report, all parties agree that mba shall bear no such responsibility or legal liability.

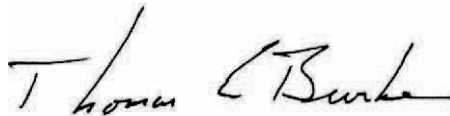
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APPENDIX III – SUMMARY OF APPRAISED VALUES

Aircraft Type	Expected Registration Number	Delivery Rank/ Manuf. Serial Number	Expected Delivery Month	Appraiser's Valuations		
				AISI Base Value	ASG Base Value	mba Base Value
Airbus A321-200.....	TBD	Rank 96	July 2015	\$ 55,420,000	\$ 52,655,591	\$ 52,810,000
Airbus A321-200.....	TBD	Rank 72	September 2015	55,600,000	52,655,591	52,890,000
Airbus A321-200.....	TBD	Rank 93	October 2015	55,690,000	52,912,450	52,940,000
Airbus A321-200.....	TBD	Rank 112	October 2015	55,690,000	52,912,450	52,940,000
Airbus A321-200.....	TBD	Rank 103	December 2015	55,880,000	52,912,450	53,030,000
Airbus A321-200.....	TBD	Rank 113	December 2015	55,880,000	52,912,450	53,030,000
Airbus A321-200.....	TBD	Rank 114	December 2015	55,880,000	52,912,450	53,030,000
Airbus A321-200.....	TBD	Rank 92	January 2016	55,970,000	53,170,585	53,070,000
Airbus A321-200.....	TBD	Rank 120	February 2016	56,060,000	53,170,585	53,120,000
Airbus A321-200.....	TBD	Rank 135	March 2016	56,150,000	53,170,585	53,160,000
Airbus A321-200.....	TBD	Rank 136	March 2016	56,150,000	53,170,585	53,160,000
Airbus A350-900.....	TBD	0024	December 2015	149,670,000	143,412,970	150,250,000
Airbus A350-900.....	TBD	0027	February 2016	150,160,000	144,124,719	150,500,000
Boeing 787-9.....	TBD	38478	August 2015	137,200,000	138,016,139	134,420,000
Boeing 787-9.....	TBD	38479	September 2015	137,420,000	138,016,139	134,530,000
Boeing 787-9.....	TBD	38461	December 2015	138,110,000	139,039,814	134,870,000
Boeing 787-9.....	TBD	38459	January 2016	138,330,000	140,071,083	134,980,000
				<u>\$ 1,465,260,000</u>	<u>\$ 1,425,236,637</u>	<u>\$ 1,422,730,000</u>

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APPENDIX IV – LOAN TO VALUE RATIOS BY AIRCRAFT

The following tables set forth loan to aircraft value ratios for the Equipment Notes that may be issued in respect of each of the Aircraft to be financed pursuant to this offering of Certificates, as of initial issuance and the Regular Distribution Dates thereafter. The loan to value ratio was obtained by dividing (i) the outstanding balance (assuming no payment default) of the Equipment Notes plus, in the case of the Series B Equipment Notes, the outstanding balance (assuming no payment default) of the Series A Equipment Notes, determined immediately after giving effect to the distributions expected to be made on such distribution date, by (ii) the appraised value of the Aircraft securing the Equipment Notes (see “*Description of the Aircraft and the Appraisals—The Appraisals*”), subject to the “Depreciation Assumption.” The Depreciation Assumption contemplates that the value of each Aircraft at issuance of the Equipment Notes depreciates by approximately 3% of the initial appraised value per year for the first fifteen (15) years after the year of delivery of such Aircraft, in each case prior to the final expected Regular Distribution Date. Other rates or methods of depreciation may result in materially different loan to Aircraft value ratios, and no assurance can be given (i) that the depreciation rate and method assumed for the purposes of the tables is the one most likely to occur or (ii) as to the actual future value of any Aircraft. Thus, the tables should not be considered a forecast or prediction of expected or likely loan to Aircraft value ratios, but simply a mathematical calculation based on one set of assumptions. See “*Risk Factors—Risk Factors Relating to the Certificates and the Offering—The Appraisals are only estimates of Aircraft value.*”

A. A321-200

Rank 96					
Date	Assumed Aircraft Value	Series A		Series B	
		Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 51,621,775.00	\$ 31,875,072.10	61.7%	\$ 5,727,125.96	72.8%
August 15, 2016.....	51,225,700.00	31,434,010.15	61.4%	5,562,257.66	72.2%
November 15, 2016.....	50,829,625.00	29,492,991.40	58.0%	5,521,040.66	68.9%
February 15, 2017.....	50,433,550.00	29,052,016.89	57.6%	5,479,823.66	68.5%
May 15, 2017.....	50,037,475.00	28,611,087.66	57.2%	5,438,606.66	68.0%
August 15, 2017.....	49,641,400.00	28,170,204.78	56.7%	5,403,034.05	67.6%
November 15, 2017.....	49,245,325.00	27,729,369.35	56.3%	5,238,293.53	66.9%
February 15, 2018.....	48,849,250.00	27,288,582.53	55.9%	5,073,580.41	66.2%
May 15, 2018.....	48,453,175.00	26,847,845.49	55.4%	4,908,895.35	65.5%
August 15, 2018.....	48,057,100.00	26,407,159.44	54.9%	4,744,239.07	64.8%
November 15, 2018.....	47,661,025.00	25,966,525.64	54.5%	4,579,612.24	64.1%
February 15, 2019.....	47,264,950.00	25,525,945.39	54.0%	4,415,015.62	63.3%
May 15, 2019.....	46,868,875.00	25,044,452.58	53.4%	4,250,449.95	62.5%
August 15, 2019.....	46,472,800.00	24,563,026.24	52.9%	4,085,916.03	61.6%
November 15, 2019.....	46,076,725.00	24,081,668.08	52.3%	3,921,414.65	60.8%
February 15, 2020.....	45,680,650.00	23,600,379.84	51.7%	3,756,946.65	59.9%
May 15, 2020.....	45,284,575.00	23,119,163.34	51.1%	3,592,512.90	59.0%
August 15, 2020.....	44,888,500.00	22,638,020.45	50.4%	3,428,114.29	58.1%
November 15, 2020.....	44,492,425.00	22,156,953.12	49.8%	3,263,751.74	57.1%
February 15, 2021.....	44,096,350.00	21,675,963.35	49.2%	3,099,426.23	56.2%
May 15, 2021.....	43,700,275.00	21,195,053.22	48.5%	2,935,138.75	55.2%
August 15, 2021.....	43,304,200.00	20,714,224.90	47.8%	2,770,890.32	54.2%
November 15, 2021.....	42,908,125.00	20,233,480.62	47.2%	2,606,682.01	53.2%
February 15, 2022.....	42,512,050.00	19,752,822.69	46.5%	2,442,514.94	52.2%
May 15, 2022.....	42,115,975.00	19,272,253.53	45.8%	2,278,390.24	51.2%
August 15, 2022.....	41,719,900.00	18,791,775.63	45.0%	2,096,116.89	50.1%
November 15, 2022.....	41,323,825.00	18,311,391.57	44.3%	1,877,515.37	48.9%
February 15, 2023.....	40,927,750.00	17,831,104.05	43.6%	1,658,977.47	47.6%
May 15, 2023.....	40,531,675.00	17,350,915.85	42.8%	1,385,954.62	46.2%
August 15, 2023.....	40,135,600.00	16,870,829.88	42.0%	1,131,197.74	44.9%
November 15, 2023.....	39,739,525.00	16,390,849.15	41.2%	0.00	0.0%
February 15, 2024.....	39,343,450.00	15,910,976.80	40.4%	0.00	0.0%
May 15, 2024.....	38,947,375.00	15,431,216.08	39.6%	0.00	0.0%
August 15, 2024.....	38,551,300.00	14,951,570.38	38.8%	0.00	0.0%
November 15, 2024.....	38,155,225.00	14,472,043.24	37.9%	0.00	0.0%
February 15, 2025.....	37,759,150.00	13,992,638.33	37.1%	0.00	0.0%
May 15, 2025.....	37,363,075.00	13,513,359.48	36.2%	0.00	0.0%
August 15, 2025.....	36,967,000.00	13,034,210.69	35.3%	0.00	0.0%
November 15, 2025.....	36,570,925.00	12,555,196.11	34.3%	0.00	0.0%
February 15, 2026.....	36,174,850.00	12,076,320.09	33.4%	0.00	0.0%
May 15, 2026.....	35,778,775.00	11,597,587.16	32.4%	0.00	0.0%
August 15, 2026.....	35,382,700.00	11,119,002.05	31.4%	0.00	0.0%
November 15, 2026.....	34,986,625.00	10,640,569.69	30.4%	0.00	0.0%
February 15, 2027.....	34,590,550.00	10,162,295.26	29.4%	0.00	0.0%
May 15, 2027.....	34,194,475.00	9,684,184.15	28.3%	0.00	0.0%
August 15, 2027.....	33,798,400.00	9,206,242.02	27.2%	0.00	0.0%
November 15, 2027.....	33,402,325.00	0.00	0.0%	0.00	0.0%

Rank 72

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 51,699,975.00	\$ 32,077,091.80	62.0%	\$ 5,768,541.50	73.2%
August 15, 2016.....	51,303,300.00	30,134,288.20	58.7%	5,727,841.25	69.9%
November 15, 2016.....	50,906,625.00	29,691,511.32	58.3%	5,687,141.00	69.5%
February 15, 2017.....	50,509,950.00	29,248,761.81	57.9%	5,646,440.75	69.1%
May 15, 2017.....	50,113,275.00	28,806,040.32	57.5%	5,605,739.70	68.7%
August 15, 2017.....	49,716,600.00	28,363,347.51	57.1%	5,440,078.75	68.0%
November 15, 2017.....	49,319,925.00	27,920,684.06	56.6%	5,274,434.37	67.3%
February 15, 2018.....	48,923,250.00	27,478,050.69	56.2%	5,108,806.93	66.6%
May 15, 2018.....	48,526,575.00	27,035,448.12	55.7%	4,943,196.87	65.9%
August 15, 2018.....	48,129,900.00	26,592,877.10	55.3%	4,777,604.61	65.2%
November 15, 2018.....	47,733,225.00	26,150,338.42	54.8%	4,612,030.57	64.4%
February 15, 2019.....	47,336,550.00	25,707,832.86	54.3%	4,446,475.23	63.7%
May 15, 2019.....	46,939,875.00	25,224,099.96	53.7%	4,280,939.03	62.9%
August 15, 2019.....	46,543,200.00	24,740,408.19	53.2%	4,115,422.48	62.0%
November 15, 2019.....	46,146,525.00	24,256,758.60	52.6%	3,949,926.06	61.1%
February 15, 2020.....	45,749,850.00	23,773,152.28	52.0%	3,784,450.30	60.2%
May 15, 2020.....	45,353,175.00	23,289,590.34	51.4%	3,618,995.74	59.3%
August 15, 2020.....	44,956,500.00	22,806,073.96	50.7%	3,453,562.91	58.4%
November 15, 2020.....	44,559,825.00	22,322,604.32	50.1%	3,288,152.41	57.5%
February 15, 2021.....	44,163,150.00	21,839,182.68	49.5%	3,122,764.82	56.5%
May 15, 2021.....	43,766,475.00	21,355,810.32	48.8%	2,957,400.76	55.6%
August 15, 2021.....	43,369,800.00	20,872,488.57	48.1%	2,792,060.87	54.6%
November 15, 2021.....	42,973,125.00	20,389,218.83	47.4%	2,626,745.79	53.6%
February 15, 2022.....	42,576,450.00	19,906,002.53	46.8%	2,461,456.23	52.5%
May 15, 2022.....	42,179,775.00	19,422,841.14	46.0%	2,296,192.90	51.5%
August 15, 2022.....	41,783,100.00	18,939,736.23	45.3%	2,112,621.06	50.4%
November 15, 2022.....	41,386,425.00	18,456,689.38	44.6%	1,892,413.14	49.2%
February 15, 2023.....	40,989,750.00	17,973,702.27	43.8%	1,672,244.58	47.9%
May 15, 2023.....	40,593,075.00	17,490,776.61	43.1%	1,397,126.40	46.5%
August 15, 2023.....	40,196,400.00	17,007,914.21	42.3%	1,140,389.31	45.1%
November 15, 2023.....	39,799,725.00	16,525,116.93	41.5%	0.00	0.0%
February 15, 2024.....	39,403,050.00	16,042,386.71	40.7%	0.00	0.0%
May 15, 2024.....	39,006,375.00	15,559,725.56	39.9%	0.00	0.0%
August 15, 2024.....	38,609,700.00	15,077,135.58	39.1%	0.00	0.0%
November 15, 2024.....	38,213,025.00	14,594,618.97	38.2%	0.00	0.0%
February 15, 2025.....	37,816,350.00	14,112,177.99	37.3%	0.00	0.0%
May 15, 2025.....	37,419,675.00	13,629,815.01	36.4%	0.00	0.0%
August 15, 2025.....	37,023,000.00	13,147,532.50	35.5%	0.00	0.0%
November 15, 2025.....	36,626,325.00	12,665,333.04	34.6%	0.00	0.0%
February 15, 2026.....	36,229,650.00	12,183,219.31	33.6%	0.00	0.0%
May 15, 2026.....	35,832,975.00	11,701,194.13	32.7%	0.00	0.0%
August 15, 2026.....	35,436,300.00	11,219,260.40	31.7%	0.00	0.0%
November 15, 2026.....	35,039,625.00	10,737,421.20	30.6%	0.00	0.0%
February 15, 2027.....	34,642,950.00	10,255,679.72	29.6%	0.00	0.0%
May 15, 2027.....	34,246,275.00	9,774,039.30	28.5%	0.00	0.0%
August 15, 2027.....	33,849,600.00	9,292,503.43	27.5%	0.00	0.0%
November 15, 2027.....	33,452,925.00	0.00	0.0%	0.00	0.0%

Rank 93

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,145,900.00	\$ 30,684,074.67	58.8%	\$ 6,290,473.88	70.9%
August 15, 2016.....	51,748,850.00	30,240,315.17	58.4%	6,124,290.78	70.3%
November 15, 2016.....	51,351,800.00	29,796,574.17	58.0%	5,958,118.10	69.6%
February 15, 2017.....	50,954,750.00	29,352,852.09	57.6%	5,791,956.10	69.0%
May 15, 2017.....	50,557,700.00	28,909,149.38	57.2%	5,625,805.03	68.3%
August 15, 2017.....	50,160,650.00	28,465,466.50	56.7%	5,459,665.13	67.6%
November 15, 2017.....	49,763,600.00	28,021,803.93	56.3%	5,293,536.68	66.9%
February 15, 2018.....	49,366,550.00	27,578,162.14	55.9%	5,127,419.97	66.3%
May 15, 2018.....	48,969,500.00	27,134,541.65	55.4%	4,961,315.26	65.5%
August 15, 2018.....	48,572,450.00	26,690,942.97	55.0%	4,795,222.86	64.8%
November 15, 2018.....	48,175,400.00	26,247,366.65	54.5%	4,629,143.05	64.1%
February 15, 2019.....	47,778,350.00	25,803,813.24	54.0%	4,463,076.17	63.3%
May 15, 2019.....	47,381,300.00	25,318,866.97	53.4%	4,297,022.53	62.5%
August 15, 2019.....	46,984,250.00	24,833,949.14	52.9%	4,130,982.46	61.6%
November 15, 2019.....	46,587,200.00	24,349,060.47	52.3%	3,964,956.33	60.8%
February 15, 2020.....	46,190,150.00	23,864,201.71	51.7%	3,798,944.48	59.9%
May 15, 2020.....	45,793,100.00	23,379,373.65	51.1%	3,632,947.26	59.0%
August 15, 2020.....	45,396,050.00	22,894,577.07	50.4%	3,466,965.10	58.1%
November 15, 2020.....	44,999,000.00	22,409,812.82	49.8%	3,300,998.35	57.1%
February 15, 2021.....	44,601,950.00	21,925,081.75	49.2%	3,135,047.45	56.2%
May 15, 2021.....	44,204,900.00	21,440,384.75	48.5%	2,969,112.82	55.2%
August 15, 2021.....	43,807,850.00	20,955,722.74	47.8%	2,803,194.89	54.2%
November 15, 2021.....	43,410,800.00	20,471,096.69	47.2%	2,637,294.13	53.2%
February 15, 2022.....	43,013,750.00	19,986,507.58	46.5%	2,471,411.00	52.2%
May 15, 2022.....	42,616,700.00	19,501,956.45	45.8%	2,305,546.00	51.2%
August 15, 2022.....	42,219,650.00	19,017,444.35	45.0%	2,121,288.97	50.1%
November 15, 2022.....	41,822,600.00	18,532,972.40	44.3%	1,900,234.64	48.9%
February 15, 2023.....	41,425,550.00	18,048,541.75	43.6%	1,679,207.52	47.6%
May 15, 2023.....	41,028,500.00	17,564,153.58	42.8%	1,402,987.60	46.2%
August 15, 2023.....	40,631,450.00	17,079,809.16	42.0%	1,145,209.90	44.9%
November 15, 2023.....	40,234,400.00	16,595,509.75	41.2%	0.00	0.0%
February 15, 2024.....	39,837,350.00	16,111,256.70	40.4%	0.00	0.0%
May 15, 2024.....	39,440,300.00	15,627,051.41	39.6%	0.00	0.0%
August 15, 2024.....	39,043,250.00	15,142,895.33	38.8%	0.00	0.0%
November 15, 2024.....	38,646,200.00	14,658,789.96	37.9%	0.00	0.0%
February 15, 2025.....	38,249,150.00	14,174,736.89	37.1%	0.00	0.0%
May 15, 2025.....	37,852,100.00	13,690,737.74	36.2%	0.00	0.0%
August 15, 2025.....	37,455,050.00	13,206,794.23	35.3%	0.00	0.0%
November 15, 2025.....	37,058,000.00	12,722,908.14	34.3%	0.00	0.0%
February 15, 2026.....	36,660,950.00	12,239,081.32	33.4%	0.00	0.0%
May 15, 2026.....	36,263,900.00	11,755,315.71	32.4%	0.00	0.0%
August 15, 2026.....	35,866,850.00	11,271,613.34	31.4%	0.00	0.0%
November 15, 2026.....	35,469,800.00	10,787,976.32	30.4%	0.00	0.0%
February 15, 2027.....	35,072,750.00	10,304,406.86	29.4%	0.00	0.0%
May 15, 2027.....	34,675,700.00	9,820,907.27	28.3%	0.00	0.0%
August 15, 2027.....	34,278,650.00	9,337,479.96	27.2%	0.00	0.0%
November 15, 2027.....	33,881,600.00	0.00	0.0%	0.00	0.0%

Rank 112

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,145,900.00	\$ 30,684,074.67	58.8%	\$ 6,290,473.88	70.9%
August 15, 2016.....	51,748,850.00	30,240,315.17	58.4%	6,124,290.78	70.3%
November 15, 2016.....	51,351,800.00	29,796,574.17	58.0%	5,958,118.10	69.6%
February 15, 2017.....	50,954,750.00	29,352,852.09	57.6%	5,791,956.10	69.0%
May 15, 2017.....	50,557,700.00	28,909,149.38	57.2%	5,625,805.03	68.3%
August 15, 2017.....	50,160,650.00	28,465,466.50	56.7%	5,459,665.13	67.6%
November 15, 2017.....	49,763,600.00	28,021,803.93	56.3%	5,293,536.68	66.9%
February 15, 2018.....	49,366,550.00	27,578,162.14	55.9%	5,127,419.97	66.3%
May 15, 2018.....	48,969,500.00	27,134,541.65	55.4%	4,961,315.26	65.5%
August 15, 2018.....	48,572,450.00	26,690,942.97	55.0%	4,795,222.86	64.8%
November 15, 2018.....	48,175,400.00	26,247,366.65	54.5%	4,629,143.05	64.1%
February 15, 2019.....	47,778,350.00	25,803,813.24	54.0%	4,463,076.17	63.3%
May 15, 2019.....	47,381,300.00	25,318,866.97	53.4%	4,297,022.53	62.5%
August 15, 2019.....	46,984,250.00	24,833,949.14	52.9%	4,130,982.46	61.6%
November 15, 2019.....	46,587,200.00	24,349,060.47	52.3%	3,964,956.33	60.8%
February 15, 2020.....	46,190,150.00	23,864,201.71	51.7%	3,798,944.48	59.9%
May 15, 2020.....	45,793,100.00	23,379,373.65	51.1%	3,632,947.26	59.0%
August 15, 2020.....	45,396,050.00	22,894,577.07	50.4%	3,466,965.10	58.1%
November 15, 2020.....	44,999,000.00	22,409,812.82	49.8%	3,300,998.35	57.1%
February 15, 2021.....	44,601,950.00	21,925,081.75	49.2%	3,135,047.45	56.2%
May 15, 2021.....	44,204,900.00	21,440,384.75	48.5%	2,969,112.82	55.2%
August 15, 2021.....	43,807,850.00	20,955,722.74	47.8%	2,803,194.89	54.2%
November 15, 2021.....	43,410,800.00	20,471,096.69	47.2%	2,637,294.13	53.2%
February 15, 2022.....	43,013,750.00	19,986,507.58	46.5%	2,471,411.00	52.2%
May 15, 2022.....	42,616,700.00	19,501,956.45	45.8%	2,305,546.00	51.2%
August 15, 2022.....	42,219,650.00	19,017,444.35	45.0%	2,121,288.97	50.1%
November 15, 2022.....	41,822,600.00	18,532,972.40	44.3%	1,900,234.64	48.9%
February 15, 2023.....	41,425,550.00	18,048,541.75	43.6%	1,679,207.52	47.6%
May 15, 2023.....	41,028,500.00	17,564,153.58	42.8%	1,402,987.60	46.2%
August 15, 2023.....	40,631,450.00	17,079,809.16	42.0%	1,145,209.90	44.9%
November 15, 2023.....	40,234,400.00	16,595,509.75	41.2%	0.00	0.0%
February 15, 2024.....	39,837,350.00	16,111,256.70	40.4%	0.00	0.0%
May 15, 2024.....	39,440,300.00	15,627,051.41	39.6%	0.00	0.0%
August 15, 2024.....	39,043,250.00	15,142,895.33	38.8%	0.00	0.0%
November 15, 2024.....	38,646,200.00	14,658,789.96	37.9%	0.00	0.0%
February 15, 2025.....	38,249,150.00	14,174,736.89	37.1%	0.00	0.0%
May 15, 2025.....	37,852,100.00	13,690,737.74	36.2%	0.00	0.0%
August 15, 2025.....	37,455,050.00	13,206,794.23	35.3%	0.00	0.0%
November 15, 2025.....	37,058,000.00	12,722,908.14	34.3%	0.00	0.0%
February 15, 2026.....	36,660,950.00	12,239,081.32	33.4%	0.00	0.0%
May 15, 2026.....	36,263,900.00	11,755,315.71	32.4%	0.00	0.0%
August 15, 2026.....	35,866,850.00	11,271,613.34	31.4%	0.00	0.0%
November 15, 2026.....	35,469,800.00	10,787,976.32	30.4%	0.00	0.0%
February 15, 2027.....	35,072,750.00	10,304,406.86	29.4%	0.00	0.0%
May 15, 2027.....	34,675,700.00	9,820,907.27	28.3%	0.00	0.0%
August 15, 2027.....	34,278,650.00	9,337,479.96	27.2%	0.00	0.0%
November 15, 2027.....	33,881,600.00	0.00	0.0%	0.00	0.0%

Rank 103

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,234,550.00	\$ 30,892,657.28	59.1%	\$ 6,333,234.93	71.3%
August 15, 2016.....	51,836,825.00	30,447,067.03	58.7%	6,166,162.31	70.6%
November 15, 2016.....	51,439,100.00	30,001,478.72	58.3%	5,999,090.78	70.0%
February 15, 2017.....	51,041,375.00	29,555,892.38	57.9%	5,832,020.37	69.3%
May 15, 2017.....	50,643,650.00	29,110,308.08	57.5%	5,664,951.10	68.7%
August 15, 2017.....	50,245,925.00	28,664,725.85	57.0%	5,497,882.99	68.0%
November 15, 2017.....	49,848,200.00	28,219,145.74	56.6%	5,330,816.09	67.3%
February 15, 2018.....	49,450,475.00	27,773,567.81	56.2%	5,163,750.42	66.6%
May 15, 2018.....	49,052,750.00	27,327,992.11	55.7%	4,996,685.99	65.9%
August 15, 2018.....	48,655,025.00	26,882,418.69	55.3%	4,829,622.86	65.2%
November 15, 2018.....	48,257,300.00	26,436,847.60	54.8%	4,662,561.06	64.4%
February 15, 2019.....	47,859,575.00	25,991,278.92	54.3%	4,495,500.59	63.7%
May 15, 2019.....	47,461,850.00	25,503,993.53	53.7%	4,328,441.51	62.9%
August 15, 2019.....	47,064,125.00	25,016,711.11	53.2%	4,161,383.85	62.0%
November 15, 2019.....	46,666,400.00	24,529,431.74	52.6%	3,994,327.66	61.1%
February 15, 2020.....	46,268,675.00	24,042,155.50	52.0%	3,827,272.96	60.2%
May 15, 2020.....	45,870,950.00	23,554,882.48	51.4%	3,660,219.78	59.3%
August 15, 2020.....	45,473,225.00	23,067,612.75	50.7%	3,493,168.18	58.4%
November 15, 2020.....	45,075,500.00	22,580,346.40	50.1%	3,326,118.20	57.5%
February 15, 2021.....	44,677,775.00	22,093,083.52	49.4%	3,159,069.87	56.5%
May 15, 2021.....	44,280,050.00	21,605,824.21	48.8%	2,992,023.24	55.6%
August 15, 2021.....	43,882,325.00	21,118,568.56	48.1%	2,824,978.37	54.6%
November 15, 2021.....	43,484,600.00	20,631,316.67	47.4%	2,657,935.29	53.6%
February 15, 2022.....	43,086,875.00	20,144,068.64	46.8%	2,490,894.06	52.5%
May 15, 2022.....	42,689,150.00	19,656,824.59	46.0%	2,323,854.72	51.5%
August 15, 2022.....	42,291,425.00	19,169,584.63	45.3%	2,138,259.36	50.4%
November 15, 2022.....	41,893,700.00	18,682,348.86	44.6%	1,915,550.60	49.2%
February 15, 2023.....	41,495,975.00	18,195,117.42	43.8%	1,692,844.69	47.9%
May 15, 2023.....	41,098,250.00	17,707,890.42	43.1%	1,414,468.99	46.5%
August 15, 2023.....	40,700,525.00	17,220,668.00	42.3%	1,154,654.55	45.1%
November 15, 2023.....	40,302,800.00	16,733,450.28	41.5%	0.00	0.0%
February 15, 2024.....	39,905,075.00	16,246,237.42	40.7%	0.00	0.0%
May 15, 2024.....	39,507,350.00	15,759,029.56	39.9%	0.00	0.0%
August 15, 2024.....	39,109,625.00	15,271,826.84	39.0%	0.00	0.0%
November 15, 2024.....	38,711,900.00	14,784,629.43	38.2%	0.00	0.0%
February 15, 2025.....	38,314,175.00	14,297,437.49	37.3%	0.00	0.0%
May 15, 2025.....	37,916,450.00	13,810,251.20	36.4%	0.00	0.0%
August 15, 2025.....	37,518,725.00	13,323,070.72	35.5%	0.00	0.0%
November 15, 2025.....	37,121,000.00	12,835,896.25	34.6%	0.00	0.0%
February 15, 2026.....	36,723,275.00	12,348,727.99	33.6%	0.00	0.0%
May 15, 2026.....	36,325,550.00	11,861,566.13	32.7%	0.00	0.0%
August 15, 2026.....	35,927,825.00	11,374,410.88	31.7%	0.00	0.0%
November 15, 2026.....	35,530,100.00	10,887,262.48	30.6%	0.00	0.0%
February 15, 2027.....	35,132,375.00	10,400,121.14	29.6%	0.00	0.0%
May 15, 2027.....	34,734,650.00	9,912,987.11	28.5%	0.00	0.0%
August 15, 2027.....	34,336,925.00	9,425,860.65	27.5%	0.00	0.0%
November 15, 2027.....	33,939,200.00	0.00	0.0%	0.00	0.0%

Rank 113

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,234,550.00	\$ 30,892,657.28	59.1%	\$ 6,333,234.93	71.3%
August 15, 2016.....	51,836,825.00	30,447,067.03	58.7%	6,166,162.31	70.6%
November 15, 2016.....	51,439,100.00	30,001,478.72	58.3%	5,999,090.78	70.0%
February 15, 2017.....	51,041,375.00	29,555,892.38	57.9%	5,832,020.37	69.3%
May 15, 2017.....	50,643,650.00	29,110,308.08	57.5%	5,664,951.10	68.7%
August 15, 2017.....	50,245,925.00	28,664,725.85	57.0%	5,497,882.99	68.0%
November 15, 2017.....	49,848,200.00	28,219,145.74	56.6%	5,330,816.09	67.3%
February 15, 2018.....	49,450,475.00	27,773,567.81	56.2%	5,163,750.42	66.6%
May 15, 2018.....	49,052,750.00	27,327,992.11	55.7%	4,996,685.99	65.9%
August 15, 2018.....	48,655,025.00	26,882,418.69	55.3%	4,829,622.86	65.2%
November 15, 2018.....	48,257,300.00	26,436,847.60	54.8%	4,662,561.06	64.4%
February 15, 2019.....	47,859,575.00	25,991,278.92	54.3%	4,495,500.59	63.7%
May 15, 2019.....	47,461,850.00	25,503,993.53	53.7%	4,328,441.51	62.9%
August 15, 2019.....	47,064,125.00	25,016,711.11	53.2%	4,161,383.85	62.0%
November 15, 2019.....	46,666,400.00	24,529,431.74	52.6%	3,994,327.66	61.1%
February 15, 2020.....	46,268,675.00	24,042,155.50	52.0%	3,827,272.96	60.2%
May 15, 2020.....	45,870,950.00	23,554,882.48	51.4%	3,660,219.78	59.3%
August 15, 2020.....	45,473,225.00	23,067,612.75	50.7%	3,493,168.18	58.4%
November 15, 2020.....	45,075,500.00	22,580,346.40	50.1%	3,326,118.20	57.5%
February 15, 2021.....	44,677,775.00	22,093,083.52	49.4%	3,159,069.87	56.5%
May 15, 2021.....	44,280,050.00	21,605,824.21	48.8%	2,992,023.24	55.6%
August 15, 2021.....	43,882,325.00	21,118,568.56	48.1%	2,824,978.37	54.6%
November 15, 2021.....	43,484,600.00	20,631,316.67	47.4%	2,657,935.29	53.6%
February 15, 2022.....	43,086,875.00	20,144,068.64	46.8%	2,490,894.06	52.5%
May 15, 2022.....	42,689,150.00	19,656,824.59	46.0%	2,323,854.72	51.5%
August 15, 2022.....	42,291,425.00	19,169,584.63	45.3%	2,138,259.36	50.4%
November 15, 2022.....	41,893,700.00	18,682,348.86	44.6%	1,915,550.60	49.2%
February 15, 2023.....	41,495,975.00	18,195,117.42	43.8%	1,692,844.69	47.9%
May 15, 2023.....	41,098,250.00	17,707,890.42	43.1%	1,414,468.99	46.5%
August 15, 2023.....	40,700,525.00	17,220,668.00	42.3%	1,154,654.55	45.1%
November 15, 2023.....	40,302,800.00	16,733,450.28	41.5%	0.00	0.0%
February 15, 2024.....	39,905,075.00	16,246,237.42	40.7%	0.00	0.0%
May 15, 2024.....	39,507,350.00	15,759,029.56	39.9%	0.00	0.0%
August 15, 2024.....	39,109,625.00	15,271,826.84	39.0%	0.00	0.0%
November 15, 2024.....	38,711,900.00	14,784,629.43	38.2%	0.00	0.0%
February 15, 2025.....	38,314,175.00	14,297,437.49	37.3%	0.00	0.0%
May 15, 2025.....	37,916,450.00	13,810,251.20	36.4%	0.00	0.0%
August 15, 2025.....	37,518,725.00	13,323,070.72	35.5%	0.00	0.0%
November 15, 2025.....	37,121,000.00	12,835,896.25	34.6%	0.00	0.0%
February 15, 2026.....	36,723,275.00	12,348,727.99	33.6%	0.00	0.0%
May 15, 2026.....	36,325,550.00	11,861,566.13	32.7%	0.00	0.0%
August 15, 2026.....	35,927,825.00	11,374,410.88	31.7%	0.00	0.0%
November 15, 2026.....	35,530,100.00	10,887,262.48	30.6%	0.00	0.0%
February 15, 2027.....	35,132,375.00	10,400,121.14	29.6%	0.00	0.0%
May 15, 2027.....	34,734,650.00	9,912,987.11	28.5%	0.00	0.0%
August 15, 2027.....	34,336,925.00	9,425,860.65	27.5%	0.00	0.0%
November 15, 2027.....	33,939,200.00	0.00	0.0%	0.00	0.0%

Rank 114

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,234,550.00	\$ 30,892,657.28	59.1%	\$ 6,333,234.93	71.3%
August 15, 2016.....	51,836,825.00	30,447,067.03	58.7%	6,166,162.31	70.6%
November 15, 2016.....	51,439,100.00	30,001,478.72	58.3%	5,999,090.78	70.0%
February 15, 2017.....	51,041,375.00	29,555,892.38	57.9%	5,832,020.37	69.3%
May 15, 2017.....	50,643,650.00	29,110,308.08	57.5%	5,664,951.10	68.7%
August 15, 2017.....	50,245,925.00	28,664,725.85	57.0%	5,497,882.99	68.0%
November 15, 2017.....	49,848,200.00	28,219,145.74	56.6%	5,330,816.09	67.3%
February 15, 2018.....	49,450,475.00	27,773,567.81	56.2%	5,163,750.42	66.6%
May 15, 2018.....	49,052,750.00	27,327,992.11	55.7%	4,996,685.99	65.9%
August 15, 2018.....	48,655,025.00	26,882,418.69	55.3%	4,829,622.86	65.2%
November 15, 2018.....	48,257,300.00	26,436,847.60	54.8%	4,662,561.06	64.4%
February 15, 2019.....	47,859,575.00	25,991,278.92	54.3%	4,495,500.59	63.7%
May 15, 2019.....	47,461,850.00	25,503,993.53	53.7%	4,328,441.51	62.9%
August 15, 2019.....	47,064,125.00	25,016,711.11	53.2%	4,161,383.85	62.0%
November 15, 2019.....	46,666,400.00	24,529,431.74	52.6%	3,994,327.66	61.1%
February 15, 2020.....	46,268,675.00	24,042,155.50	52.0%	3,827,272.96	60.2%
May 15, 2020.....	45,870,950.00	23,554,882.48	51.4%	3,660,219.78	59.3%
August 15, 2020.....	45,473,225.00	23,067,612.75	50.7%	3,493,168.18	58.4%
November 15, 2020.....	45,075,500.00	22,580,346.40	50.1%	3,326,118.20	57.5%
February 15, 2021.....	44,677,775.00	22,093,083.52	49.4%	3,159,069.87	56.5%
May 15, 2021.....	44,280,050.00	21,605,824.21	48.8%	2,992,023.24	55.6%
August 15, 2021.....	43,882,325.00	21,118,568.56	48.1%	2,824,978.37	54.6%
November 15, 2021.....	43,484,600.00	20,631,316.67	47.4%	2,657,935.29	53.6%
February 15, 2022.....	43,086,875.00	20,144,068.64	46.8%	2,490,894.06	52.5%
May 15, 2022.....	42,689,150.00	19,656,824.59	46.0%	2,323,854.72	51.5%
August 15, 2022.....	42,291,425.00	19,169,584.63	45.3%	2,138,259.36	50.4%
November 15, 2022.....	41,893,700.00	18,682,348.86	44.6%	1,915,550.60	49.2%
February 15, 2023.....	41,495,975.00	18,195,117.42	43.8%	1,692,844.69	47.9%
May 15, 2023.....	41,098,250.00	17,707,890.42	43.1%	1,414,468.99	46.5%
August 15, 2023.....	40,700,525.00	17,220,668.00	42.3%	1,154,654.55	45.1%
November 15, 2023.....	40,302,800.00	16,733,450.28	41.5%	0.00	0.0%
February 15, 2024.....	39,905,075.00	16,246,237.42	40.7%	0.00	0.0%
May 15, 2024.....	39,507,350.00	15,759,029.56	39.9%	0.00	0.0%
August 15, 2024.....	39,109,625.00	15,271,826.84	39.0%	0.00	0.0%
November 15, 2024.....	38,711,900.00	14,784,629.43	38.2%	0.00	0.0%
February 15, 2025.....	38,314,175.00	14,297,437.49	37.3%	0.00	0.0%
May 15, 2025.....	37,916,450.00	13,810,251.20	36.4%	0.00	0.0%
August 15, 2025.....	37,518,725.00	13,323,070.72	35.5%	0.00	0.0%
November 15, 2025.....	37,121,000.00	12,835,896.25	34.6%	0.00	0.0%
February 15, 2026.....	36,723,275.00	12,348,727.99	33.6%	0.00	0.0%
May 15, 2026.....	36,325,550.00	11,861,566.13	32.7%	0.00	0.0%
August 15, 2026.....	35,927,825.00	11,374,410.88	31.7%	0.00	0.0%
November 15, 2026.....	35,530,100.00	10,887,262.48	30.6%	0.00	0.0%
February 15, 2027.....	35,132,375.00	10,400,121.14	29.6%	0.00	0.0%
May 15, 2027.....	34,734,650.00	9,912,987.11	28.5%	0.00	0.0%
August 15, 2027.....	34,336,925.00	9,425,860.65	27.5%	0.00	0.0%
November 15, 2027.....	33,939,200.00	0.00	0.0%	0.00	0.0%

Rank 92

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,771,805.28	\$ 30,860,000.00	58.5%	\$ 6,540,000.00	70.9%
August 15, 2016.....	52,373,025.90	30,644,598.93	58.5%	6,206,166.61	70.4%
November 15, 2016.....	51,974,246.51	30,197,007.47	58.1%	6,038,188.68	69.7%
February 15, 2017.....	51,575,467.13	29,749,405.23	57.7%	5,870,204.66	69.1%
May 15, 2017.....	51,176,687.74	29,301,791.96	57.3%	5,702,214.42	68.4%
August 15, 2017.....	50,777,908.36	28,854,167.39	56.8%	5,534,217.81	67.7%
November 15, 2017.....	50,379,128.97	28,406,531.25	56.4%	5,366,214.68	67.0%
February 15, 2018.....	49,980,349.59	27,958,883.27	55.9%	5,198,204.86	66.3%
May 15, 2018.....	49,581,570.20	27,511,223.16	55.5%	5,030,188.21	65.6%
August 15, 2018.....	49,182,790.82	27,063,550.62	55.0%	4,862,164.54	64.9%
November 15, 2018.....	48,784,011.43	26,615,865.35	54.6%	4,694,133.70	64.2%
February 15, 2019.....	48,385,232.05	26,168,167.03	54.1%	4,526,095.49	63.4%
May 15, 2019.....	47,986,452.66	25,678,450.79	53.5%	4,358,049.74	62.6%
August 15, 2019.....	47,587,673.28	25,188,718.34	52.9%	4,189,996.26	61.7%
November 15, 2019.....	47,188,893.89	24,698,969.29	52.3%	4,021,934.84	60.9%
February 15, 2020.....	46,790,114.51	24,209,203.19	51.7%	3,853,865.29	60.0%
May 15, 2020.....	46,391,335.12	23,719,419.61	51.1%	3,685,787.40	59.1%
August 15, 2020.....	45,992,555.74	23,229,618.09	50.5%	3,517,700.93	58.2%
November 15, 2020.....	45,593,776.35	22,739,798.16	49.9%	3,349,605.68	57.2%
February 15, 2021.....	45,194,996.97	22,249,959.33	49.2%	3,181,501.39	56.3%
May 15, 2021.....	44,796,217.58	21,760,101.08	48.6%	3,013,387.86	55.3%
August 15, 2021.....	44,397,438.20	21,270,222.90	47.9%	2,845,264.79	54.3%
November 15, 2021.....	43,998,658.81	20,780,324.24	47.2%	2,677,131.95	53.3%
February 15, 2022.....	43,599,879.43	20,290,404.53	46.5%	2,508,989.07	52.3%
May 15, 2022.....	43,201,100.04	19,800,463.19	45.8%	2,340,835.85	51.3%
August 15, 2022.....	42,802,320.66	19,310,499.61	45.1%	2,153,977.64	50.1%
November 15, 2022.....	42,403,541.27	18,820,513.16	44.4%	1,929,716.95	48.9%
February 15, 2023.....	42,004,761.89	18,330,503.18	43.6%	1,705,440.77	47.7%
May 15, 2023.....	41,605,982.50	17,840,469.00	42.9%	1,425,059.09	46.3%
August 15, 2023.....	41,207,203.12	17,350,409.90	42.1%	1,163,353.82	44.9%
November 15, 2023.....	40,808,423.73	16,860,325.16	41.3%	0.00	0.0%
February 15, 2024.....	40,409,644.35	16,370,214.00	40.5%	0.00	0.0%
May 15, 2024.....	40,010,864.96	15,880,075.64	39.7%	0.00	0.0%
August 15, 2024.....	39,612,085.58	15,389,909.25	38.9%	0.00	0.0%
November 15, 2024.....	39,213,306.19	14,899,713.96	38.0%	0.00	0.0%
February 15, 2025.....	38,814,526.81	14,409,488.89	37.1%	0.00	0.0%
May 15, 2025.....	38,415,747.42	13,919,233.09	36.2%	0.00	0.0%
August 15, 2025.....	38,016,968.04	13,428,945.60	35.3%	0.00	0.0%
November 15, 2025.....	37,618,188.65	12,938,625.40	34.4%	0.00	0.0%
February 15, 2026.....	37,219,409.27	12,448,271.43	33.4%	0.00	0.0%
May 15, 2026.....	36,820,629.88	11,957,882.59	32.5%	0.00	0.0%
August 15, 2026.....	36,421,850.50	11,467,457.72	31.5%	0.00	0.0%
November 15, 2026.....	36,023,071.11	10,976,995.63	30.5%	0.00	0.0%
February 15, 2027.....	35,624,291.73	10,486,495.05	29.4%	0.00	0.0%
May 15, 2027.....	35,225,512.34	9,995,954.67	28.4%	0.00	0.0%
August 15, 2027.....	34,826,732.96	9,505,373.11	27.3%	0.00	0.0%
November 15, 2027.....	34,427,953.57	0.00	0.0%	0.00	0.0%

Rank 120

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,771,805.28	\$ 30,062,000.00	57.0%	\$ 6,540,000.00	69.4%
August 15, 2016.....	52,373,025.90	30,062,000.00	57.4%	6,540,000.00	69.9%
November 15, 2016.....	51,974,246.51	30,062,000.00	57.8%	6,265,987.95	69.9%
February 15, 2017.....	51,575,467.13	29,826,177.89	57.8%	5,885,353.58	69.2%
May 15, 2017.....	51,176,687.74	29,377,999.48	57.4%	5,717,044.63	68.6%
August 15, 2017.....	50,777,908.36	28,929,800.86	57.0%	5,548,724.28	67.9%
November 15, 2017.....	50,379,128.97	28,481,581.53	56.5%	5,380,392.26	67.2%
February 15, 2018.....	49,980,349.59	28,033,341.02	56.1%	5,212,048.28	66.5%
May 15, 2018.....	49,581,570.20	27,585,078.80	55.6%	5,043,692.06	65.8%
August 15, 2018.....	49,182,790.82	27,136,794.34	55.2%	4,875,323.30	65.1%
November 15, 2018.....	48,784,011.43	26,688,487.09	54.7%	4,706,941.69	64.4%
February 15, 2019.....	48,385,232.05	26,240,156.49	54.2%	4,538,546.92	63.6%
May 15, 2019.....	47,986,452.66	25,749,680.89	53.7%	4,370,138.64	62.8%
August 15, 2019.....	47,587,673.28	25,259,176.30	53.1%	4,201,716.53	61.9%
November 15, 2019.....	47,188,893.89	24,768,641.98	52.5%	4,033,280.22	61.0%
February 15, 2020.....	46,790,114.51	24,278,077.17	51.9%	3,864,829.35	60.1%
May 15, 2020.....	46,391,335.12	23,787,481.08	51.3%	3,696,363.53	59.2%
August 15, 2020.....	45,992,555.74	23,296,852.88	50.7%	3,527,882.41	58.3%
November 15, 2020.....	45,593,776.35	22,806,191.73	50.0%	3,359,385.55	57.4%
February 15, 2021.....	45,194,996.77	22,315,496.77	49.4%	3,190,872.53	56.4%
May 15, 2021.....	44,796,217.58	21,824,767.06	48.7%	3,022,342.94	55.5%
August 15, 2021.....	44,397,438.20	21,334,001.68	48.1%	2,853,796.33	54.5%
November 15, 2021.....	43,998,658.81	20,843,199.65	47.4%	2,685,232.20	53.5%
February 15, 2022.....	43,599,879.43	20,352,359.97	46.7%	2,516,650.10	52.5%
May 15, 2022.....	43,201,100.04	19,861,481.57	46.0%	2,348,049.52	51.4%
August 15, 2022.....	42,802,320.66	19,370,563.38	45.3%	2,160,677.41	50.3%
November 15, 2022.....	42,403,541.27	18,879,604.25	44.5%	1,935,775.72	49.1%
February 15, 2023.....	42,004,761.89	18,388,603.04	43.8%	1,710,846.28	47.9%
May 15, 2023.....	41,605,982.50	17,897,558.50	43.0%	1,429,619.28	46.5%
August 15, 2023.....	41,207,203.12	17,406,469.39	42.2%	1,167,112.63	45.1%
November 15, 2023.....	40,808,423.73	16,915,334.38	41.5%	0.00	0.0%
February 15, 2024.....	40,409,644.35	16,424,152.11	40.6%	0.00	0.0%
May 15, 2024.....	40,010,864.96	15,932,921.15	39.8%	0.00	0.0%
August 15, 2024.....	39,612,085.58	15,441,640.04	39.0%	0.00	0.0%
November 15, 2024.....	39,213,306.19	14,950,307.22	38.1%	0.00	0.0%
February 15, 2025.....	38,814,526.81	14,458,921.10	37.3%	0.00	0.0%
May 15, 2025.....	38,415,747.42	13,967,480.00	36.4%	0.00	0.0%
August 15, 2025.....	38,016,968.04	13,475,982.19	35.4%	0.00	0.0%
November 15, 2025.....	37,618,188.65	12,984,425.84	34.5%	0.00	0.0%
February 15, 2026.....	37,219,409.27	12,492,809.07	33.6%	0.00	0.0%
May 15, 2026.....	36,820,629.88	12,001,129.90	32.6%	0.00	0.0%
August 15, 2026.....	36,421,850.50	11,509,386.27	31.6%	0.00	0.0%
November 15, 2026.....	36,023,071.11	11,017,576.02	30.6%	0.00	0.0%
February 15, 2027.....	35,624,291.73	10,525,696.91	29.5%	0.00	0.0%
May 15, 2027.....	35,225,512.34	10,033,746.56	28.5%	0.00	0.0%
August 15, 2027.....	34,826,732.96	9,541,722.53	27.4%	0.00	0.0%
November 15, 2027.....	34,427,953.57	0.00	0.0%	0.00	0.0%

Rank 135

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,771,805.28	\$ 29,530,000.00	56.0%	\$ 6,539,000.00	68.3%
August 15, 2016.....	52,373,025.90	29,530,000.00	56.4%	6,539,000.00	68.9%
November 15, 2016.....	51,974,246.51	29,530,000.00	56.8%	6,539,000.00	69.4%
February 15, 2017.....	51,575,467.13	29,530,000.00	57.3%	6,273,453.04	69.4%
May 15, 2017.....	51,176,687.74	29,454,207.00	57.6%	5,731,874.83	68.8%
August 15, 2017.....	50,777,908.36	29,005,434.32	57.1%	5,563,230.75	68.1%
November 15, 2017.....	50,379,128.97	28,556,631.81	56.7%	5,394,569.84	67.4%
February 15, 2018.....	49,980,349.59	28,107,798.77	56.2%	5,225,891.70	66.7%
May 15, 2018.....	49,581,570.20	27,658,934.43	55.8%	5,057,195.92	66.0%
August 15, 2018.....	49,182,790.82	27,210,038.05	55.3%	4,888,482.07	65.3%
November 15, 2018.....	48,784,011.43	26,761,108.82	54.9%	4,719,749.70	64.5%
February 15, 2019.....	48,385,232.05	26,312,145.94	54.4%	4,550,998.36	63.8%
May 15, 2019.....	47,986,452.66	25,820,910.99	53.8%	4,382,227.54	62.9%
August 15, 2019.....	47,587,673.28	25,329,634.25	53.2%	4,213,436.80	62.1%
November 15, 2019.....	47,188,893.89	24,838,314.67	52.6%	4,044,625.59	61.2%
February 15, 2020.....	46,790,114.51	24,346,951.15	52.0%	3,875,793.40	60.3%
May 15, 2020.....	46,391,335.12	23,855,542.54	51.4%	3,706,939.68	59.4%
August 15, 2020.....	45,992,555.74	23,364,087.67	50.8%	3,538,063.88	58.5%
November 15, 2020.....	45,593,776.35	22,872,585.30	50.2%	3,369,165.42	57.6%
February 15, 2021.....	45,194,996.97	22,381,034.20	49.5%	3,200,243.68	56.6%
May 15, 2021.....	44,796,217.58	21,889,433.03	48.9%	3,031,298.04	55.6%
August 15, 2021.....	44,397,438.20	21,397,780.46	48.2%	2,862,327.85	54.6%
November 15, 2021.....	43,998,658.81	20,906,075.07	47.5%	2,693,332.45	53.6%
February 15, 2022.....	43,599,879.43	20,414,315.40	46.8%	2,524,311.14	52.6%
May 15, 2022.....	43,201,100.04	19,922,499.94	46.1%	2,355,263.19	51.6%
August 15, 2022.....	42,802,320.66	19,430,627.14	45.4%	2,167,377.18	50.5%
November 15, 2022.....	42,403,541.27	18,938,695.35	44.7%	1,941,834.48	49.2%
February 15, 2023.....	42,004,761.89	18,446,702.89	43.9%	1,716,251.80	48.0%
May 15, 2023.....	41,605,982.50	17,954,648.00	43.2%	1,434,179.47	46.6%
August 15, 2023.....	41,207,203.12	17,462,528.87	42.4%	1,170,871.45	45.2%
November 15, 2023.....	40,808,423.73	16,970,343.59	41.6%	0.00	0.0%
February 15, 2024.....	40,409,644.35	16,478,090.21	40.8%	0.00	0.0%
May 15, 2024.....	40,010,864.96	15,985,766.66	40.0%	0.00	0.0%
August 15, 2024.....	39,612,085.58	15,493,370.82	39.1%	0.00	0.0%
November 15, 2024.....	39,213,306.19	15,000,900.47	38.3%	0.00	0.0%
February 15, 2025.....	38,814,526.81	14,508,353.31	37.4%	0.00	0.0%
May 15, 2025.....	38,415,747.42	14,015,726.91	36.5%	0.00	0.0%
August 15, 2025.....	38,016,968.04	13,523,018.77	35.6%	0.00	0.0%
November 15, 2025.....	37,618,188.65	13,030,226.28	34.6%	0.00	0.0%
February 15, 2026.....	37,219,409.27	12,537,346.72	33.7%	0.00	0.0%
May 15, 2026.....	36,820,629.88	12,044,377.22	32.7%	0.00	0.0%
August 15, 2026.....	36,421,850.50	11,551,314.82	31.7%	0.00	0.0%
November 15, 2026.....	36,023,071.11	11,058,156.41	30.7%	0.00	0.0%
February 15, 2027.....	35,624,291.73	10,564,898.76	29.7%	0.00	0.0%
May 15, 2027.....	35,225,512.34	10,071,538.45	28.6%	0.00	0.0%
August 15, 2027.....	34,826,732.96	9,578,071.95	27.5%	0.00	0.0%
November 15, 2027.....	34,427,953.57	0.00	0.0%	0.00	0.0%

Rank 136

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 52,771,805.28	\$ 29,530,000.00	56.0%	\$ 6,539,000.00	68.3%
August 15, 2016.....	52,373,025.90	29,530,000.00	56.4%	6,539,000.00	68.9%
November 15, 2016.....	51,974,246.51	29,530,000.00	56.8%	6,539,000.00	69.4%
February 15, 2017.....	51,575,467.13	29,530,000.00	57.3%	6,273,453.04	69.4%
May 15, 2017.....	51,176,687.74	29,454,207.00	57.6%	5,731,874.83	68.8%
August 15, 2017.....	50,777,908.36	29,005,434.32	57.1%	5,563,230.75	68.1%
November 15, 2017.....	50,379,128.97	28,556,631.81	56.7%	5,394,569.84	67.4%
February 15, 2018.....	49,980,349.59	28,107,798.77	56.2%	5,225,891.70	66.7%
May 15, 2018.....	49,581,570.20	27,658,934.43	55.8%	5,057,195.92	66.0%
August 15, 2018.....	49,182,790.82	27,210,038.05	55.3%	4,888,482.07	65.3%
November 15, 2018.....	48,784,011.43	26,761,108.82	54.9%	4,719,749.70	64.5%
February 15, 2019.....	48,385,232.05	26,312,145.94	54.4%	4,550,998.36	63.8%
May 15, 2019.....	47,986,452.66	25,820,910.99	53.8%	4,382,227.54	62.9%
August 15, 2019.....	47,587,673.28	25,329,634.25	53.2%	4,213,436.80	62.1%
November 15, 2019.....	47,188,893.89	24,838,314.67	52.6%	4,044,625.59	61.2%
February 15, 2020.....	46,790,114.51	24,346,951.15	52.0%	3,875,793.40	60.3%
May 15, 2020.....	46,391,335.12	23,855,542.54	51.4%	3,706,939.68	59.4%
August 15, 2020.....	45,992,555.74	23,364,087.67	50.8%	3,538,063.88	58.5%
November 15, 2020.....	45,593,776.35	22,872,585.30	50.2%	3,369,165.42	57.6%
February 15, 2021.....	45,194,996.97	22,381,034.20	49.5%	3,200,243.68	56.6%
May 15, 2021.....	44,796,217.58	21,889,433.03	48.9%	3,031,298.04	55.6%
August 15, 2021.....	44,397,438.20	21,397,780.46	48.2%	2,862,327.85	54.6%
November 15, 2021.....	43,998,658.81	20,906,075.07	47.5%	2,693,332.45	53.6%
February 15, 2022.....	43,599,879.43	20,414,315.40	46.8%	2,524,311.14	52.6%
May 15, 2022.....	43,201,100.04	19,922,499.94	46.1%	2,355,263.19	51.6%
August 15, 2022.....	42,802,320.66	19,430,627.14	45.4%	2,167,377.18	50.5%
November 15, 2022.....	42,403,541.27	18,938,695.35	44.7%	1,941,834.48	49.2%
February 15, 2023.....	42,004,761.89	18,446,702.89	43.9%	1,716,251.80	48.0%
May 15, 2023.....	41,605,982.50	17,954,648.00	43.2%	1,434,179.47	46.6%
August 15, 2023.....	41,207,203.12	17,462,528.87	42.4%	1,170,871.45	45.2%
November 15, 2023.....	40,808,423.73	16,970,343.59	41.6%	0.00	0.0%
February 15, 2024.....	40,409,644.35	16,478,090.21	40.8%	0.00	0.0%
May 15, 2024.....	40,010,864.96	15,985,766.66	40.0%	0.00	0.0%
August 15, 2024.....	39,612,085.58	15,493,370.82	39.1%	0.00	0.0%
November 15, 2024.....	39,213,306.19	15,000,900.47	38.3%	0.00	0.0%
February 15, 2025.....	38,814,526.81	14,508,353.31	37.4%	0.00	0.0%
May 15, 2025.....	38,415,747.42	14,015,726.91	36.5%	0.00	0.0%
August 15, 2025.....	38,016,968.04	13,523,018.77	35.6%	0.00	0.0%
November 15, 2025.....	37,618,188.65	13,030,226.28	34.6%	0.00	0.0%
February 15, 2026.....	37,219,409.27	12,537,346.72	33.7%	0.00	0.0%
May 15, 2026.....	36,820,629.88	12,044,377.22	32.7%	0.00	0.0%
August 15, 2026.....	36,421,850.50	11,551,314.82	31.7%	0.00	0.0%
November 15, 2026.....	36,023,071.11	11,058,156.41	30.7%	0.00	0.0%
February 15, 2027.....	35,624,291.73	10,564,898.76	29.7%	0.00	0.0%
May 15, 2027.....	35,225,512.34	10,071,538.45	28.6%	0.00	0.0%
August 15, 2027.....	34,826,732.96	9,578,071.95	27.5%	0.00	0.0%
November 15, 2027.....	34,427,953.57	0.00	0.0%	0.00	0.0%

B. A350-900

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Date	Assumed Aircraft Value	Series A		Series B	
		Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 145,560,991.86	\$ 86,087,959.68	59.1%	\$ 17,648,701.08	71.3%
August 15, 2016.....	144,452,659.43	84,846,242.11	58.7%	17,183,123.09	70.6%
November 15, 2016.....	143,344,327.01	83,604,529.94	58.3%	16,717,548.15	70.0%
February 15, 2017.....	142,235,994.58	82,362,823.28	57.9%	16,251,976.31	69.3%
May 15, 2017.....	141,127,662.16	81,121,122.27	57.5%	15,786,407.67	68.7%
August 15, 2017.....	140,019,329.73	79,879,427.04	57.0%	15,320,842.28	68.0%
November 15, 2017.....	138,910,997.31	78,637,737.73	56.6%	14,855,280.23	67.3%
February 15, 2018.....	137,802,664.88	77,396,054.49	56.2%	14,389,721.59	66.6%
May 15, 2018.....	136,694,332.46	76,154,377.45	55.7%	13,924,166.47	65.9%
August 15, 2018.....	135,586,000.03	74,912,706.77	55.3%	13,458,614.93	65.2%
November 15, 2018.....	134,477,667.60	73,671,042.62	54.8%	12,993,067.06	64.4%
February 15, 2019.....	133,369,335.18	72,429,385.13	54.3%	12,527,522.97	63.7%
May 15, 2019.....	132,261,002.75	71,071,476.53	53.7%	12,061,982.72	62.9%
August 15, 2019.....	131,152,670.33	69,713,576.20	53.2%	11,596,446.45	62.0%
November 15, 2019.....	130,044,337.90	68,355,684.39	52.6%	11,130,914.23	61.1%
February 15, 2020.....	128,936,005.48	66,997,801.30	52.0%	10,665,386.16	60.2%
May 15, 2020.....	127,827,673.05	65,639,927.15	51.4%	10,199,862.38	59.3%
August 15, 2020.....	126,719,340.63	64,282,062.19	50.7%	9,734,342.98	58.4%
November 15, 2020.....	125,611,008.20	62,924,206.64	50.1%	9,268,828.08	57.5%
February 15, 2021.....	124,502,675.78	61,566,360.78	49.4%	8,803,317.80	56.5%
May 15, 2021.....	123,394,343.35	60,208,524.85	48.8%	8,337,812.26	55.6%
August 15, 2021.....	122,286,010.93	58,850,699.12	48.1%	7,872,311.59	54.6%
November 15, 2021.....	121,177,678.50	57,492,883.88	47.4%	7,406,815.92	53.6%
February 15, 2022.....	120,069,346.08	56,135,079.41	46.8%	6,941,325.40	52.5%
May 15, 2022.....	118,961,013.65	54,777,286.00	46.0%	6,475,840.17	51.5%
August 15, 2022.....	117,852,681.22	53,419,503.99	45.3%	5,958,645.25	50.4%
November 15, 2022.....	116,744,348.80	52,061,733.67	44.6%	5,338,027.14	49.2%
February 15, 2023.....	115,636,016.37	50,703,975.40	43.8%	4,717,416.96	47.9%
May 15, 2023.....	114,527,683.95	49,346,229.52	43.1%	3,941,672.88	46.5%
August 15, 2023.....	113,419,351.52	47,988,496.39	42.3%	3,217,653.12	45.1%
November 15, 2023.....	112,311,019.10	46,630,776.38	41.5%	0.00	0.0%
February 15, 2024.....	111,202,686.67	45,273,069.89	40.7%	0.00	0.0%
May 15, 2024.....	110,094,354.25	43,915,377.33	39.9%	0.00	0.0%
August 15, 2024.....	108,986,021.82	42,557,699.11	39.0%	0.00	0.0%
November 15, 2024.....	107,877,689.40	41,200,035.69	38.2%	0.00	0.0%
February 15, 2025.....	106,769,356.97	39,842,387.51	37.3%	0.00	0.0%
May 15, 2025.....	105,661,024.55	38,484,755.05	36.4%	0.00	0.0%
August 15, 2025.....	104,552,692.12	37,127,138.81	35.5%	0.00	0.0%
November 15, 2025.....	103,444,359.70	35,769,539.32	34.6%	0.00	0.0%
February 15, 2026.....	102,336,027.27	34,411,957.11	33.6%	0.00	0.0%
May 15, 2026.....	101,227,694.85	33,054,392.75	32.7%	0.00	0.0%
August 15, 2026.....	100,119,362.42	31,696,846.82	31.7%	0.00	0.0%
November 15, 2026.....	99,011,029.99	30,339,319.95	30.6%	0.00	0.0%
February 15, 2027.....	97,902,697.57	28,981,812.77	29.6%	0.00	0.0%
May 15, 2027.....	96,794,365.14	27,624,325.97	28.5%	0.00	0.0%
August 15, 2027.....	95,686,032.72	26,266,860.25	27.5%	0.00	0.0%
November 15, 2027.....	94,577,700.29	0.00	0.0%	0.00	0.0%

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 147,149,611.16	\$ 83,826,000.00	57.0%	\$ 18,237,000.00	69.4%
August 15, 2016.....	146,037,649.37	83,826,000.00	57.4%	18,237,000.00	69.9%
November 15, 2016.....	144,925,687.57	83,826,000.00	57.8%	17,471,449.89	69.9%
February 15, 2017.....	143,813,725.77	83,167,715.34	57.8%	16,410,799.02	69.2%
May 15, 2017.....	142,701,763.97	81,918,008.63	57.4%	15,941,484.08	68.6%
August 15, 2017.....	141,589,802.18	80,668,245.56	57.0%	15,472,137.35	67.9%
November 15, 2017.....	140,477,840.38	79,418,424.78	56.5%	15,002,758.09	67.2%
February 15, 2018.....	139,365,878.58	78,168,544.90	56.1%	14,533,345.49	66.5%
May 15, 2018.....	138,253,916.79	76,918,604.49	55.6%	14,063,898.75	65.8%
August 15, 2018.....	137,141,954.99	75,668,602.07	55.2%	13,594,417.04	65.1%
November 15, 2018.....	136,029,993.19	74,418,536.12	54.7%	13,124,899.50	64.4%
February 15, 2019.....	134,918,031.39	73,168,405.04	54.2%	12,655,345.24	63.6%
May 15, 2019.....	133,806,069.60	71,800,756.30	53.7%	12,185,753.33	62.8%
August 15, 2019.....	132,694,107.80	70,433,026.71	53.1%	11,716,122.84	61.9%
November 15, 2019.....	131,582,146.00	69,065,214.23	52.5%	11,246,452.76	61.0%
February 15, 2020.....	130,470,184.21	67,697,316.71	51.9%	10,776,742.09	60.1%
May 15, 2020.....	129,358,222.41	66,329,331.96	51.3%	10,306,989.78	59.2%
August 15, 2020.....	128,246,260.61	64,961,257.71	50.7%	9,837,194.73	58.3%
November 15, 2020.....	127,134,298.81	63,593,091.58	50.0%	9,367,355.81	57.4%
February 15, 2021.....	126,022,337.02	62,224,831.12	49.4%	8,897,471.87	56.4%
May 15, 2021.....	124,910,375.22	60,856,473.82	48.7%	8,427,541.70	55.5%
August 15, 2021.....	123,798,413.42	59,488,017.04	48.1%	7,957,564.03	54.5%
November 15, 2021.....	122,686,451.63	58,119,458.07	47.4%	7,487,537.57	53.5%
February 15, 2022.....	121,574,489.83	56,750,794.09	46.7%	7,017,460.97	52.5%
May 15, 2022.....	120,462,528.03	55,382,022.17	46.0%	6,547,332.84	51.4%
August 15, 2022.....	119,350,566.23	54,013,139.28	45.3%	6,024,861.93	50.3%
November 15, 2022.....	118,238,604.44	52,644,142.27	44.5%	5,397,743.03	49.1%
February 15, 2023.....	117,126,642.64	51,275,027.87	43.8%	4,770,546.77	47.9%
May 15, 2023.....	116,014,680.84	49,905,792.69	43.0%	3,986,369.61	46.5%
August 15, 2023.....	114,902,719.04	48,536,433.20	42.2%	3,254,392.57	45.1%
November 15, 2023.....	113,790,757.25	47,166,945.74	41.5%	0.00	0.0%
February 15, 2024.....	112,678,795.45	45,797,326.50	40.6%	0.00	0.0%
May 15, 2024.....	111,566,833.65	44,427,571.50	39.8%	0.00	0.0%
August 15, 2024.....	110,454,871.86	43,057,676.63	39.0%	0.00	0.0%
November 15, 2024.....	109,342,910.06	41,687,637.60	38.1%	0.00	0.0%
February 15, 2025.....	108,230,948.26	40,317,449.93	37.3%	0.00	0.0%
May 15, 2025.....	107,118,986.46	38,947,108.97	36.4%	0.00	0.0%
August 15, 2025.....	106,007,024.67	37,576,609.86	35.4%	0.00	0.0%
November 15, 2025.....	104,895,062.87	36,205,947.54	34.5%	0.00	0.0%
February 15, 2026.....	103,783,101.07	34,835,116.74	33.6%	0.00	0.0%
May 15, 2026.....	102,671,139.28	33,464,111.94	32.6%	0.00	0.0%
August 15, 2026.....	101,559,177.48	32,092,927.38	31.6%	0.00	0.0%
November 15, 2026.....	100,447,215.68	30,721,557.08	30.6%	0.00	0.0%
February 15, 2027.....	99,335,253.88	29,349,994.73	29.5%	0.00	0.0%
May 15, 2027.....	98,223,292.09	27,978,233.78	28.5%	0.00	0.0%
August 15, 2027.....	97,111,330.29	26,606,267.36	27.4%	0.00	0.0%
November 15, 2027.....	95,999,368.49	0.00	0.0%	0.00	0.0%

C. B787-9

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Date	Assumed Aircraft Value	Series A		Series B	
		Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 133,473,108.57	\$ 81,239,075.30	60.9%	\$ 16,349,587.20	73.1%
August 15, 2016.....	132,449,018.22	79,597,281.01	60.1%	15,904,174.40	72.1%
November 15, 2016.....	131,424,927.88	76,455,577.15	58.2%	15,458,761.60	69.9%
February 15, 2017.....	130,400,837.53	75,313,965.81	57.8%	15,013,348.80	69.3%
May 15, 2017.....	129,376,747.18	74,172,449.19	57.3%	14,567,936.00	68.6%
August 15, 2017.....	128,352,656.83	73,031,029.50	56.9%	13,715,058.18	67.6%
November 15, 2017.....	127,328,566.49	71,889,709.09	56.5%	13,580,525.14	67.1%
February 15, 2018.....	126,304,476.14	70,748,490.32	56.0%	13,153,785.24	66.4%
May 15, 2018.....	125,280,385.79	69,607,375.66	55.6%	12,727,104.05	65.7%
August 15, 2018.....	124,256,295.45	68,466,367.66	55.1%	12,300,483.02	65.0%
November 15, 2018.....	123,232,205.10	67,325,468.94	54.6%	11,873,923.62	64.3%
February 15, 2019.....	122,208,114.75	66,184,682.22	54.2%	11,447,427.38	63.5%
May 15, 2019.....	121,184,024.40	64,937,785.76	53.6%	11,020,995.87	62.7%
August 15, 2019.....	120,159,934.06	63,691,028.34	53.0%	10,594,630.76	61.8%
November 15, 2019.....	119,135,843.71	62,444,413.50	52.4%	10,168,333.72	60.9%
February 15, 2020.....	118,111,753.36	61,197,944.91	51.8%	9,742,106.49	60.1%
May 15, 2020.....	117,087,663.02	59,951,626.36	51.2%	9,315,950.90	59.2%
August 15, 2020.....	116,063,572.67	58,705,461.77	50.6%	8,889,868.81	58.2%
November 15, 2020.....	115,039,482.32	57,459,455.20	49.9%	8,463,862.17	57.3%
February 15, 2021.....	114,015,391.98	56,213,610.87	49.3%	8,037,932.96	56.4%
May 15, 2021.....	112,991,301.63	54,967,933.11	48.6%	7,612,083.30	55.4%
August 15, 2021.....	111,967,211.28	53,722,426.44	48.0%	7,186,315.32	54.4%
November 15, 2021.....	110,943,120.93	52,477,095.55	47.3%	6,760,631.24	53.4%
February 15, 2022.....	109,919,030.59	51,231,945.28	46.6%	6,335,033.41	52.4%
May 15, 2022.....	108,894,940.24	49,986,980.66	45.9%	5,909,524.20	51.3%
August 15, 2022.....	107,870,849.89	48,742,206.91	45.2%	5,436,919.07	50.2%
November 15, 2022.....	106,846,759.55	47,497,629.44	44.5%	4,870,057.47	49.0%
February 15, 2023.....	105,822,669.20	46,253,253.87	43.7%	4,303,328.93	47.8%
May 15, 2023.....	104,798,578.85	45,009,086.05	42.9%	3,595,231.00	46.4%
August 15, 2023.....	103,774,488.50	43,765,132.03	42.2%	2,934,474.39	45.0%
November 15, 2023.....	102,750,398.16	42,521,398.14	41.4%	0.00	0.0%
February 15, 2024.....	101,726,307.81	41,277,890.90	40.6%	0.00	0.0%
May 15, 2024.....	100,702,217.46	40,034,617.15	39.8%	0.00	0.0%
August 15, 2024.....	99,678,127.12	38,791,583.99	38.9%	0.00	0.0%
November 15, 2024.....	98,654,036.77	37,548,798.78	38.1%	0.00	0.0%
February 15, 2025.....	97,629,946.42	36,306,269.22	37.2%	0.00	0.0%
May 15, 2025.....	96,605,856.07	35,064,003.33	36.3%	0.00	0.0%
August 15, 2025.....	95,581,765.73	33,822,009.45	35.4%	0.00	0.0%
November 15, 2025.....	94,557,675.38	32,580,296.29	34.5%	0.00	0.0%
February 15, 2026.....	93,533,585.03	31,338,872.92	33.5%	0.00	0.0%
May 15, 2026.....	92,509,494.69	30,097,748.82	32.5%	0.00	0.0%
August 15, 2026.....	91,485,404.34	28,856,933.89	31.5%	0.00	0.0%
November 15, 2026.....	90,461,313.99	27,616,438.46	30.5%	0.00	0.0%
February 15, 2027.....	89,437,223.65	26,376,273.33	29.5%	0.00	0.0%
May 15, 2027.....	88,413,133.30	25,136,449.80	28.4%	0.00	0.0%
August 15, 2027.....	87,389,042.95	23,896,979.68	27.3%	0.00	0.0%
November 15, 2027.....	86,364,952.60	0.00	0.0%	0.00	0.0%

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 133,580,633.57	\$ 81,504,047.80	61.0%	\$ 15,996,444.08	73.0%
August 15, 2016.....	132,555,718.22	77,859,946.94	58.7%	15,768,253.48	70.6%
November 15, 2016.....	131,530,802.88	76,715,915.11	58.3%	15,340,101.86	70.0%
February 15, 2017.....	130,505,887.53	75,571,954.02	57.9%	14,911,990.12	69.3%
May 15, 2017.....	129,480,972.18	74,428,065.32	57.5%	14,483,919.21	68.7%
August 15, 2017.....	128,456,056.83	73,284,250.72	57.1%	14,055,890.09	68.0%
November 15, 2017.....	127,431,141.49	72,140,512.01	56.6%	13,627,903.76	67.3%
February 15, 2018.....	126,406,226.14	70,996,850.98	56.2%	13,199,961.25	66.6%
May 15, 2018.....	125,381,310.79	69,853,269.54	55.7%	12,772,063.62	65.9%
August 15, 2018.....	124,356,395.45	68,709,769.63	55.3%	12,344,211.96	65.2%
November 15, 2018.....	123,331,480.10	67,566,353.25	54.8%	11,916,407.42	64.4%
February 15, 2019.....	122,306,564.75	66,423,022.48	54.3%	11,488,651.16	63.7%
May 15, 2019.....	121,281,649.40	65,173,169.88	53.7%	11,060,944.39	62.9%
August 15, 2019.....	120,256,734.06	63,923,423.57	53.2%	10,633,288.35	62.0%
November 15, 2019.....	119,231,818.71	62,673,786.24	52.6%	10,205,684.36	61.1%
February 15, 2020.....	118,206,903.36	61,424,260.71	52.0%	9,778,133.72	60.2%
May 15, 2020.....	117,181,988.02	60,174,849.86	51.4%	9,350,637.86	59.3%
August 15, 2020.....	116,157,072.67	58,925,556.70	50.7%	8,923,198.16	58.4%
November 15, 2020.....	115,132,157.32	57,676,384.33	50.1%	8,495,816.14	57.5%
February 15, 2021.....	114,107,241.98	56,427,335.96	49.5%	8,068,493.33	56.5%
May 15, 2021.....	113,082,326.63	55,178,414.93	48.8%	7,641,231.30	55.6%
August 15, 2021.....	112,057,411.28	53,929,624.68	48.1%	7,214,031.71	54.6%
November 15, 2021.....	111,032,495.93	52,680,968.79	47.4%	6,786,896.26	53.6%
February 15, 2022.....	110,007,580.59	51,432,450.97	46.8%	6,359,826.73	52.5%
May 15, 2022.....	108,982,665.24	50,184,075.06	46.0%	5,932,824.95	51.5%
August 15, 2022.....	107,957,749.89	48,935,845.04	45.3%	5,458,518.31	50.4%
November 15, 2022.....	106,932,834.55	47,687,765.06	44.6%	4,889,552.58	49.2%
February 15, 2023.....	105,907,919.20	46,439,839.41	43.8%	4,320,688.55	47.9%
May 15, 2023.....	104,883,003.85	45,192,072.56	43.1%	3,609,847.58	46.5%
August 15, 2023.....	103,858,088.50	43,944,469.14	42.3%	2,946,499.04	45.1%
November 15, 2023.....	102,833,173.16	42,697,033.98	41.5%	0.00	0.0%
February 15, 2024.....	101,808,257.81	41,449,772.08	40.7%	0.00	0.0%
May 15, 2024.....	100,783,342.46	40,202,688.65	39.9%	0.00	0.0%
August 15, 2024.....	99,758,427.12	38,955,789.13	39.1%	0.00	0.0%
November 15, 2024.....	98,733,511.77	37,709,079.14	38.2%	0.00	0.0%
February 15, 2025.....	97,708,596.42	36,462,564.56	37.3%	0.00	0.0%
May 15, 2025.....	96,683,681.07	35,216,251.53	36.4%	0.00	0.0%
August 15, 2025.....	95,658,765.73	33,970,146.43	35.5%	0.00	0.0%
November 15, 2025.....	94,633,850.38	32,724,255.89	34.6%	0.00	0.0%
February 15, 2026.....	93,608,935.03	31,478,586.88	33.6%	0.00	0.0%
May 15, 2026.....	92,584,019.69	30,233,146.63	32.7%	0.00	0.0%
August 15, 2026.....	91,559,104.34	28,987,942.70	31.7%	0.00	0.0%
November 15, 2026.....	90,534,188.99	27,742,983.00	30.6%	0.00	0.0%
February 15, 2027.....	89,509,273.65	26,498,275.77	29.6%	0.00	0.0%
May 15, 2027.....	88,484,358.30	25,253,829.66	28.5%	0.00	0.0%
August 15, 2027.....	87,459,442.95	24,009,653.69	27.5%	0.00	0.0%
November 15, 2027.....	86,434,527.60	0.00	0.0%	0.00	0.0%

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 135,279,839.08	\$ 80,007,460.68	59.1%	\$ 16,402,151.50	71.3%
August 15, 2016.....	134,249,789.54	78,853,447.15	58.7%	15,969,457.87	70.6%
November 15, 2016.....	133,219,740.00	77,699,438.64	58.3%	15,536,767.06	70.0%
February 15, 2017.....	132,189,690.47	76,545,435.26	57.9%	15,104,079.14	69.3%
May 15, 2017.....	131,159,640.93	75,391,437.13	57.5%	14,671,394.18	68.7%
August 15, 2017.....	130,129,591.39	74,237,444.37	57.0%	14,238,712.25	68.0%
November 15, 2017.....	129,099,541.86	73,083,457.11	56.6%	13,806,033.43	67.3%
February 15, 2018.....	128,069,492.32	71,929,475.49	56.2%	13,373,357.78	66.6%
May 15, 2018.....	127,039,442.79	70,775,499.64	55.7%	12,940,685.38	65.9%
August 15, 2018.....	126,009,393.25	69,621,529.70	55.3%	12,508,016.32	65.2%
November 15, 2018.....	124,979,343.71	68,467,565.81	54.8%	12,075,350.67	64.4%
February 15, 2019.....	123,949,294.18	67,313,608.13	54.3%	11,642,688.53	63.7%
May 15, 2019.....	122,919,244.64	66,051,610.29	53.7%	11,210,029.97	62.9%
August 15, 2019.....	121,889,195.11	64,789,620.14	53.2%	10,777,375.10	62.0%
November 15, 2019.....	120,859,145.57	63,527,637.90	52.6%	10,344,724.00	61.1%
February 15, 2020.....	119,829,096.03	62,265,663.77	52.0%	9,912,076.76	60.2%
May 15, 2020.....	118,799,046.50	61,003,697.96	51.4%	9,479,433.49	59.3%
August 15, 2020.....	117,768,996.96	59,741,740.68	50.7%	9,046,794.30	58.4%
November 15, 2020.....	116,738,947.43	58,479,792.15	50.1%	8,614,159.30	57.5%
February 15, 2021.....	115,708,897.89	57,217,852.61	49.4%	8,181,528.58	56.5%
May 15, 2021.....	114,678,848.35	55,955,922.32	48.8%	7,748,902.27	55.6%
August 15, 2021.....	113,648,798.82	54,694,001.50	48.1%	7,316,280.49	54.6%
November 15, 2021.....	112,618,749.28	53,432,090.42	47.4%	6,883,663.37	53.6%
February 15, 2022.....	111,588,699.74	52,170,189.36	46.8%	6,451,051.01	52.5%
May 15, 2022.....	110,558,650.21	50,908,298.58	46.0%	6,018,443.57	51.5%
August 15, 2022.....	109,528,600.67	49,646,418.39	45.3%	5,537,778.77	50.4%
November 15, 2022.....	108,498,551.14	48,384,549.07	44.6%	4,960,995.68	49.2%
February 15, 2023.....	107,468,501.60	47,122,690.94	43.8%	4,384,219.97	47.9%
May 15, 2023.....	106,438,452.06	45,860,844.33	43.1%	3,663,267.66	46.5%
August 15, 2023.....	105,408,402.53	44,599,009.57	42.3%	2,990,386.30	45.1%
November 15, 2023.....	104,378,352.99	43,337,187.01	41.5%	0.00	0.0%
February 15, 2024.....	103,348,303.46	42,075,377.00	40.7%	0.00	0.0%
May 15, 2024.....	102,318,253.92	40,813,579.95	39.9%	0.00	0.0%
August 15, 2024.....	101,288,204.38	39,551,796.22	39.0%	0.00	0.0%
November 15, 2024.....	100,258,154.85	38,290,026.24	38.2%	0.00	0.0%
February 15, 2025.....	99,228,105.31	37,028,270.43	37.3%	0.00	0.0%
May 15, 2025.....	98,198,055.78	35,766,529.23	36.4%	0.00	0.0%
August 15, 2025.....	97,168,006.24	34,504,803.11	35.5%	0.00	0.0%
November 15, 2025.....	96,137,956.70	33,243,092.54	34.6%	0.00	0.0%
February 15, 2026.....	95,107,907.17	31,981,398.04	33.6%	0.00	0.0%
May 15, 2026.....	94,077,857.63	30,719,720.13	32.7%	0.00	0.0%
August 15, 2026.....	93,047,808.09	29,458,059.35	31.7%	0.00	0.0%
November 15, 2026.....	92,017,758.56	28,196,416.28	30.6%	0.00	0.0%
February 15, 2027.....	90,987,709.02	26,934,791.51	29.6%	0.00	0.0%
May 15, 2027.....	89,957,659.49	25,673,185.68	28.5%	0.00	0.0%
August 15, 2027.....	88,927,609.95	24,411,599.44	27.5%	0.00	0.0%
November 15, 2027.....	87,897,560.41	0.00	0.0%	0.00	0.0%

Date	Series A			Series B	
	Assumed Aircraft Value	Outstanding Balance	LTV	Outstanding Balance	LTV
May 15, 2016.....	\$ 136,760,241.54	\$ 79,975,000.00	58.5%	\$ 16,949,000.00	70.9%
August 15, 2016.....	135,726,788.83	79,416,702.32	58.5%	16,083,528.72	70.4%
November 15, 2016.....	134,693,336.12	78,256,751.18	58.1%	15,648,207.19	69.7%
February 15, 2017.....	133,659,883.41	77,096,772.11	57.7%	15,212,869.88	69.1%
May 15, 2017.....	132,626,430.71	75,936,764.42	57.3%	14,777,516.47	68.4%
August 15, 2017.....	131,592,978.00	74,776,727.47	56.8%	14,342,146.53	67.7%
November 15, 2017.....	130,559,525.29	73,616,660.54	56.4%	13,906,759.70	67.0%
February 15, 2018.....	129,526,072.59	72,456,562.92	55.9%	13,471,355.55	66.3%
May 15, 2018.....	128,492,619.88	71,296,433.86	55.5%	13,035,933.68	65.6%
August 15, 2018.....	127,459,167.17	70,136,272.59	55.0%	12,600,493.65	64.9%
November 15, 2018.....	126,425,714.47	68,976,078.32	54.6%	12,165,035.00	64.2%
February 15, 2019.....	125,392,261.76	67,815,850.23	54.1%	11,729,557.28	63.4%
May 15, 2019.....	124,358,809.05	66,546,731.04	53.5%	11,294,060.00	62.6%
August 15, 2019.....	123,325,356.35	65,277,569.85	52.9%	10,858,542.68	61.7%
November 15, 2019.....	122,291,903.64	64,008,365.60	52.3%	10,423,004.81	60.9%
February 15, 2020.....	121,258,450.93	62,739,117.19	51.7%	9,987,445.86	60.0%
May 15, 2020.....	120,224,998.23	61,469,823.48	51.1%	9,551,865.27	59.1%
August 15, 2020.....	119,191,545.52	60,200,483.28	50.5%	9,116,262.48	58.2%
November 15, 2020.....	118,158,092.81	58,931,095.36	49.9%	8,680,636.92	57.2%
February 15, 2021.....	117,124,640.11	57,661,658.45	49.2%	8,244,987.97	56.3%
May 15, 2021.....	116,091,187.40	56,392,171.24	48.6%	7,809,315.00	55.3%
August 15, 2021.....	115,057,734.69	55,122,632.36	47.9%	7,373,617.38	54.3%
November 15, 2021.....	114,024,281.99	53,853,040.41	47.2%	6,937,894.41	53.3%
February 15, 2022.....	112,990,829.28	52,583,393.91	46.5%	6,502,145.40	52.3%
May 15, 2022.....	111,957,376.57	51,313,691.36	45.8%	6,066,369.62	51.3%
August 15, 2022.....	110,923,923.86	50,043,931.17	45.1%	5,582,119.09	50.1%
November 15, 2022.....	109,890,471.16	48,774,111.71	44.4%	5,000,938.57	48.9%
February 15, 2023.....	108,857,018.45	47,504,231.27	43.6%	4,419,717.88	47.7%
May 15, 2023.....	107,823,565.74	46,234,288.11	42.9%	3,693,097.56	46.3%
August 15, 2023.....	106,790,113.04	44,964,280.39	42.1%	3,014,877.90	44.9%
November 15, 2023.....	105,756,660.33	43,694,206.19	41.3%	0.00	0.0%
February 15, 2024.....	104,723,207.62	42,424,063.56	40.5%	0.00	0.0%
May 15, 2024.....	103,689,754.92	41,153,850.41	39.7%	0.00	0.0%
August 15, 2024.....	102,656,302.21	39,883,564.62	38.9%	0.00	0.0%
November 15, 2024.....	101,622,849.50	38,613,203.96	38.0%	0.00	0.0%
February 15, 2025.....	100,589,396.80	37,342,766.09	37.1%	0.00	0.0%
May 15, 2025.....	99,555,944.09	36,072,248.61	36.2%	0.00	0.0%
August 15, 2025.....	98,522,491.38	34,801,648.99	35.3%	0.00	0.0%
November 15, 2025.....	97,489,038.68	33,530,964.60	34.4%	0.00	0.0%
February 15, 2026.....	96,455,585.97	32,260,192.70	33.4%	0.00	0.0%
May 15, 2026.....	95,422,133.26	30,989,330.43	32.5%	0.00	0.0%
August 15, 2026.....	94,388,680.56	29,718,374.80	31.5%	0.00	0.0%
November 15, 2026.....	93,355,227.85	28,447,322.70	30.5%	0.00	0.0%
February 15, 2027.....	92,321,775.14	27,176,170.85	29.4%	0.00	0.0%
May 15, 2027.....	91,288,322.44	25,904,915.86	28.4%	0.00	0.0%
August 15, 2027.....	90,254,869.73	24,633,554.14	27.3%	0.00	0.0%
November 15, 2027.....	89,221,417.02	0.00	0.0%	0.00	0.0%

APPENDIX V – EQUIPMENT NOTE PRINCIPAL AMOUNTS AND AMORTIZATION SCHEDULES

The following tables set forth the original principal amount and principal amortization schedule for each series of Equipment Notes issued with respect to an Aircraft.

A. A321-200

Date	Rank 96			
	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 33,556,000.00	\$ 0.00	\$ 6,496,000.00
May 15, 2016	1,680,927.90	31,875,072.10	768,874.04	5,727,125.96
August 15, 2016	441,061.95	31,434,010.15	164,868.30	5,562,257.66
November 15, 2016	1,941,018.75	29,492,991.40	41,217.00	5,521,040.66
February 15, 2017	440,974.51	29,052,016.89	41,217.00	5,479,823.66
May 15, 2017	440,929.23	28,611,087.66	41,217.00	5,438,606.66
August 15, 2017	440,882.88	28,170,204.78	35,572.61	5,403,034.05
November 15, 2017	440,835.43	27,729,369.35	164,740.52	5,238,293.53
February 15, 2018	440,786.82	27,288,582.53	164,713.12	5,073,580.41
May 15, 2018	440,737.04	26,847,845.49	164,685.06	4,908,895.35
August 15, 2018	440,686.05	26,407,159.44	164,656.28	4,744,239.07
November 15, 2018	440,633.80	25,966,525.64	164,626.83	4,579,612.24
February 15, 2019	440,580.25	25,525,945.39	164,596.62	4,415,015.62
May 15, 2019	481,492.81	25,044,452.58	164,565.67	4,250,449.95
August 15, 2019	481,426.34	24,563,026.24	164,533.92	4,085,916.03
November 15, 2019	481,358.16	24,081,668.08	164,501.38	3,921,414.65
February 15, 2020	481,288.24	23,600,379.84	164,468.00	3,756,946.65
May 15, 2020	481,216.50	23,119,163.34	164,433.75	3,592,512.90
August 15, 2020	481,142.89	22,638,020.45	164,398.61	3,428,114.29
November 15, 2020	481,067.33	22,156,953.12	164,362.55	3,263,751.74
February 15, 2021	480,989.77	21,675,963.35	164,325.51	3,099,426.23
May 15, 2021	480,910.13	21,195,053.22	164,287.48	2,935,138.75
August 15, 2021	480,828.32	20,714,224.90	164,248.43	2,770,890.32
November 15, 2021	480,744.28	20,233,480.62	164,208.31	2,606,682.01
February 15, 2022	480,657.93	19,752,822.69	164,167.07	2,442,514.94
May 15, 2022	480,569.16	19,272,253.53	164,124.70	2,278,390.24
August 15, 2022	480,477.90	18,791,775.63	182,273.35	2,096,116.89
November 15, 2022	480,384.06	18,311,391.57	218,601.52	1,877,515.37
February 15, 2023	480,287.52	17,831,104.05	218,537.90	1,658,977.47
May 15, 2023	480,188.20	17,350,915.85	273,022.85	1,385,954.62
August 15, 2023	480,085.97	16,870,829.88	254,756.88	1,131,197.74
November 15, 2023	479,980.73	16,390,849.15	1,131,197.74	0.00
February 15, 2024	479,872.35	15,910,976.80	0.00	0.00
May 15, 2024	479,760.72	15,431,216.08	0.00	0.00
August 15, 2024	479,645.70	14,951,570.38	0.00	0.00
November 15, 2024	479,527.14	14,472,043.24	0.00	0.00
February 15, 2025	479,404.91	13,992,638.33	0.00	0.00
May 15, 2025	479,278.85	13,513,359.48	0.00	0.00
August 15, 2025	479,148.79	13,034,210.69	0.00	0.00
November 15, 2025	479,014.58	12,555,196.11	0.00	0.00
February 15, 2026	478,876.02	12,076,320.09	0.00	0.00
May 15, 2026	478,732.93	11,597,587.16	0.00	0.00
August 15, 2026	478,585.11	11,119,002.05	0.00	0.00
November 15, 2026	478,432.36	10,640,569.69	0.00	0.00
February 15, 2027	478,274.43	10,162,295.26	0.00	0.00
May 15, 2027	478,111.11	9,684,184.15	0.00	0.00
August 15, 2027	477,942.13	9,206,242.02	0.00	0.00
November 15, 2027	9,206,242.02	0.00	0.00	0.00

Rank 72

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 32,549,000.00	\$ 0.00	\$ 6,505,000.00
May 15, 2016.....	471,908.20	32,077,091.80	736,458.50	5,768,541.50
August 15, 2016	1,942,803.60	30,134,288.20	40,700.25	5,727,841.25
November 15, 2016.....	442,776.88	29,691,511.32	40,700.25	5,687,141.00
February 15, 2017	442,749.51	29,248,761.81	40,700.25	5,646,440.75
May 15, 2017.....	442,721.49	28,806,040.32	40,701.05	5,605,739.70
August 15, 2017	442,692.81	28,363,347.51	165,660.95	5,440,078.75
November 15, 2017.....	442,663.45	27,920,684.06	165,644.38	5,274,434.37
February 15, 2018	442,633.37	27,478,050.69	165,627.44	5,108,806.93
May 15, 2018.....	442,602.57	27,035,448.12	165,610.06	4,943,196.87
August 15, 2018	442,571.02	26,592,877.10	165,592.26	4,777,604.61
November 15, 2018.....	442,538.68	26,150,338.42	165,574.04	4,612,030.57
February 15, 2019	442,505.56	25,707,832.86	165,555.34	4,446,475.23
May 15, 2019.....	483,732.90	25,224,099.96	165,536.20	4,280,939.03
August 15, 2019	483,691.77	24,740,408.19	165,516.55	4,115,422.48
November 15, 2019.....	483,649.59	24,256,758.60	165,496.42	3,949,926.06
February 15, 2020	483,606.32	23,773,152.28	165,475.76	3,784,450.30
May 15, 2020.....	483,561.94	23,289,590.34	165,454.56	3,618,995.74
August 15, 2020	483,516.38	22,806,073.96	165,432.83	3,453,562.91
November 15, 2020.....	483,469.64	22,322,604.32	165,410.50	3,288,152.41
February 15, 2021	483,421.64	21,839,182.68	165,387.59	3,122,764.82
May 15, 2021.....	483,372.36	21,355,810.32	165,364.06	2,957,400.76
August 15, 2021	483,321.75	20,872,488.57	165,339.89	2,792,060.87
November 15, 2021.....	483,269.74	20,389,218.83	165,315.08	2,626,745.79
February 15, 2022	483,216.30	19,906,002.53	165,289.56	2,461,456.23
May 15, 2022.....	483,161.39	19,422,841.14	165,263.33	2,296,192.90
August 15, 2022	483,104.91	18,939,736.23	183,571.84	2,112,621.06
November 15, 2022.....	483,046.85	18,456,689.38	220,207.92	1,892,413.14
February 15, 2023	482,987.11	17,973,702.27	220,168.56	1,672,244.58
May 15, 2023.....	482,925.66	17,490,776.61	275,118.18	1,397,126.40
August 15, 2023	482,862.40	17,007,914.21	256,737.09	1,140,389.31
November 15, 2023.....	482,797.28	16,525,116.93	1,140,389.31	0.00
February 15, 2024	482,730.22	16,042,386.71	0.00	0.00
May 15, 2024.....	482,661.15	15,559,725.56	0.00	0.00
August 15, 2024	482,589.98	15,077,135.58	0.00	0.00
November 15, 2024.....	482,516.61	14,594,618.97	0.00	0.00
February 15, 2025	482,440.98	14,112,177.99	0.00	0.00
May 15, 2025.....	482,362.98	13,629,815.01	0.00	0.00
August 15, 2025	482,282.51	13,147,532.50	0.00	0.00
November 15, 2025.....	482,199.46	12,665,333.04	0.00	0.00
February 15, 2026	482,113.73	12,183,219.31	0.00	0.00
May 15, 2026.....	482,025.18	11,701,194.13	0.00	0.00
August 15, 2026	481,933.73	11,219,260.40	0.00	0.00
November 15, 2026.....	481,839.20	10,737,421.20	0.00	0.00
February 15, 2027	481,741.48	10,255,679.72	0.00	0.00
May 15, 2027.....	481,640.42	9,774,039.30	0.00	0.00
August 15, 2027	481,535.87	9,292,503.43	0.00	0.00
November 15, 2027.....	9,292,503.43	0.00	0.00	0.00

Rank 93

	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
Date				
At Issuance	\$ 0.00	\$ 31,786,000.00	\$ 0.00	\$ 6,511,000.00
May 15, 2016.....	1,101,925.33	30,684,074.67	220,526.12	6,290,473.88
August 15, 2016	443,759.50	30,240,315.17	166,183.10	6,124,290.78
November 15, 2016.....	443,741.00	29,796,574.17	166,172.68	5,958,118.10
February 15, 2017	443,722.08	29,352,852.09	166,162.00	5,791,956.10
May 15, 2017.....	443,702.71	28,909,149.38	166,151.07	5,625,805.03
August 15, 2017	443,682.88	28,465,466.50	166,139.90	5,459,665.13
November 15, 2017.....	443,662.57	28,021,803.93	166,128.45	5,293,536.68
February 15, 2018	443,641.79	27,578,162.14	166,116.71	5,127,419.97
May 15, 2018.....	443,620.49	27,134,541.65	166,104.71	4,961,315.26
August 15, 2018	443,598.68	26,690,942.97	166,092.40	4,795,222.86
November 15, 2018.....	443,576.32	26,247,366.65	166,079.81	4,629,143.05
February 15, 2019	443,553.41	25,803,813.24	166,066.88	4,463,076.17
May 15, 2019.....	484,946.27	25,318,866.97	166,053.64	4,297,022.53
August 15, 2019	484,917.83	24,833,949.14	166,040.07	4,130,982.46
November 15, 2019.....	484,888.67	24,349,060.47	166,026.13	3,964,956.33
February 15, 2020	484,858.76	23,864,201.71	166,011.85	3,798,944.48
May 15, 2020.....	484,828.06	23,379,373.65	165,997.22	3,632,947.26
August 15, 2020	484,796.58	22,894,577.07	165,982.16	3,466,965.10
November 15, 2020.....	484,764.25	22,409,812.82	165,966.75	3,300,998.35
February 15, 2021	484,731.07	21,925,081.75	165,950.90	3,135,047.45
May 15, 2021.....	484,697.00	21,440,384.75	165,934.63	2,969,112.82
August 15, 2021	484,662.01	20,955,722.74	165,917.93	2,803,194.89
November 15, 2021.....	484,626.05	20,471,096.69	165,900.76	2,637,294.13
February 15, 2022	484,589.11	19,986,507.58	165,883.13	2,471,411.00
May 15, 2022.....	484,551.13	19,501,956.45	165,865.00	2,305,546.00
August 15, 2022	484,512.10	19,017,444.35	184,257.03	2,121,288.97
November 15, 2022.....	484,471.95	18,532,972.40	221,054.33	1,900,234.64
February 15, 2023	484,430.65	18,048,541.75	221,027.12	1,679,207.52
May 15, 2023.....	484,388.17	17,564,153.58	276,219.92	1,402,987.60
August 15, 2023	484,344.42	17,079,809.16	257,777.70	1,145,209.90
November 15, 2023.....	484,299.41	16,595,509.75	1,145,209.90	0.00
February 15, 2024	484,253.05	16,111,256.70	0.00	0.00
May 15, 2024.....	484,205.29	15,627,051.41	0.00	0.00
August 15, 2024	484,156.08	15,142,895.33	0.00	0.00
November 15, 2024.....	484,105.37	14,658,789.96	0.00	0.00
February 15, 2025	484,053.07	14,174,736.89	0.00	0.00
May 15, 2025.....	483,999.15	13,690,737.74	0.00	0.00
August 15, 2025	483,943.51	13,206,794.23	0.00	0.00
November 15, 2025.....	483,886.09	12,722,908.14	0.00	0.00
February 15, 2026	483,826.82	12,239,081.32	0.00	0.00
May 15, 2026.....	483,765.61	11,755,315.71	0.00	0.00
August 15, 2026	483,702.37	11,271,613.34	0.00	0.00
November 15, 2026.....	483,637.02	10,787,976.32	0.00	0.00
February 15, 2027	483,569.46	10,304,406.86	0.00	0.00
May 15, 2027.....	483,499.59	9,820,907.27	0.00	0.00
August 15, 2027	483,427.31	9,337,479.96	0.00	0.00
November 15, 2027.....	9,337,479.96	0.00	0.00	0.00

Rank 112

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 31,786,000.00	\$ 0.00	\$ 6,511,000.00
May 15, 2016.....	1,101,925.33	30,684,074.67	220,526.12	6,290,473.88
August 15, 2016	443,759.50	30,240,315.17	166,183.10	6,124,290.78
November 15, 2016.....	443,741.00	29,796,574.17	166,172.68	5,958,118.10
February 15, 2017	443,722.08	29,352,852.09	166,162.00	5,791,956.10
May 15, 2017.....	443,702.71	28,909,149.38	166,151.07	5,625,805.03
August 15, 2017	443,682.88	28,465,466.50	166,139.90	5,459,665.13
November 15, 2017.....	443,662.57	28,021,803.93	166,128.45	5,293,536.68
February 15, 2018	443,641.79	27,578,162.14	166,116.71	5,127,419.97
May 15, 2018.....	443,620.49	27,134,541.65	166,104.71	4,961,315.26
August 15, 2018	443,598.68	26,690,942.97	166,092.40	4,795,222.86
November 15, 2018.....	443,576.32	26,247,366.65	166,079.81	4,629,143.05
February 15, 2019	443,553.41	25,803,813.24	166,066.88	4,463,076.17
May 15, 2019.....	484,946.27	25,318,866.97	166,053.64	4,297,022.53
August 15, 2019	484,917.83	24,833,949.14	166,040.07	4,130,982.46
November 15, 2019.....	484,888.67	24,349,060.47	166,026.13	3,964,956.33
February 15, 2020	484,858.76	23,864,201.71	166,011.85	3,798,944.48
May 15, 2020.....	484,828.06	23,379,373.65	165,997.22	3,632,947.26
August 15, 2020	484,796.58	22,894,577.07	165,982.16	3,466,965.10
November 15, 2020.....	484,764.25	22,409,812.82	165,966.75	3,300,998.35
February 15, 2021	484,731.07	21,925,081.75	165,950.90	3,135,047.45
May 15, 2021.....	484,697.00	21,440,384.75	165,934.63	2,969,112.82
August 15, 2021	484,662.01	20,955,722.74	165,917.93	2,803,194.89
November 15, 2021	484,626.05	20,471,096.69	165,900.76	2,637,294.13
February 15, 2022	484,589.11	19,986,507.58	165,883.13	2,471,411.00
May 15, 2022.....	484,551.13	19,501,956.45	165,865.00	2,305,546.00
August 15, 2022	484,512.10	19,017,444.35	184,257.03	2,121,288.97
November 15, 2022.....	484,471.95	18,532,972.40	221,054.33	1,900,234.64
February 15, 2023	484,430.65	18,048,541.75	221,027.12	1,679,207.52
May 15, 2023.....	484,388.17	17,564,153.58	276,219.92	1,402,987.60
August 15, 2023	484,344.42	17,079,809.16	257,777.70	1,145,209.90
November 15, 2023.....	484,299.41	16,595,509.75	1,145,209.90	0.00
February 15, 2024	484,253.05	16,111,256.70	0.00	0.00
May 15, 2024.....	484,205.29	15,627,051.41	0.00	0.00
August 15, 2024	484,156.08	15,142,895.33	0.00	0.00
November 15, 2024.....	484,105.37	14,658,789.96	0.00	0.00
February 15, 2025	484,053.07	14,174,736.89	0.00	0.00
May 15, 2025.....	483,999.15	13,690,737.74	0.00	0.00
August 15, 2025	483,943.51	13,206,794.23	0.00	0.00
November 15, 2025.....	483,886.09	12,722,908.14	0.00	0.00
February 15, 2026	483,826.82	12,239,081.32	0.00	0.00
May 15, 2026.....	483,765.61	11,755,315.71	0.00	0.00
August 15, 2026	483,702.37	11,271,613.34	0.00	0.00
November 15, 2026.....	483,637.02	10,787,976.32	0.00	0.00
February 15, 2027	483,569.46	10,304,406.86	0.00	0.00
May 15, 2027.....	483,499.59	9,820,907.27	0.00	0.00
August 15, 2027	483,427.31	9,337,479.96	0.00	0.00
November 15, 2027.....	9,337,479.96	0.00	0.00	0.00

Rank 103

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 31,309,000.00	\$ 0.00	\$ 6,523,000.00
May 15, 2016.....	416,342.72	30,892,657.28	189,765.07	6,333,234.93
August 15, 2016	445,590.25	30,447,067.03	167,072.62	6,166,162.31
November 15, 2016.....	445,588.31	30,001,478.72	167,071.53	5,999,090.78
February 15, 2017	445,586.34	29,555,892.38	167,070.41	5,832,020.37
May 15, 2017.....	445,584.30	29,110,308.08	167,069.27	5,664,951.10
August 15, 2017	445,582.23	28,664,725.85	167,068.11	5,497,882.99
November 15, 2017.....	445,580.11	28,219,145.74	167,066.90	5,330,816.09
February 15, 2018	445,577.93	27,773,567.81	167,065.67	5,163,750.42
May 15, 2018.....	445,575.70	27,327,992.11	167,064.43	4,996,685.99
August 15, 2018	445,573.42	26,882,418.69	167,063.13	4,829,622.86
November 15, 2018.....	445,571.09	26,436,847.60	167,061.80	4,662,561.06
February 15, 2019	445,568.68	25,991,278.92	167,060.47	4,495,500.59
May 15, 2019.....	487,285.39	25,503,993.53	167,059.08	4,328,441.51
August 15, 2019	487,282.42	25,016,711.11	167,057.66	4,161,383.85
November 15, 2019.....	487,279.37	24,529,431.74	167,056.19	3,994,327.66
February 15, 2020	487,276.24	24,042,155.50	167,054.70	3,827,272.96
May 15, 2020.....	487,273.02	23,554,882.48	167,053.18	3,660,219.78
August 15, 2020	487,269.73	23,067,612.75	167,051.60	3,493,168.18
November 15, 2020.....	487,266.35	22,580,346.40	167,049.98	3,326,118.20
February 15, 2021	487,262.88	22,093,083.52	167,048.33	3,159,069.87
May 15, 2021.....	487,259.31	21,605,824.21	167,046.63	2,992,023.24
August 15, 2021	487,255.65	21,118,568.56	167,044.87	2,824,978.37
November 15, 2021.....	487,251.89	20,631,316.67	167,043.08	2,657,935.29
February 15, 2022	487,248.03	20,144,068.64	167,041.23	2,490,894.06
May 15, 2022.....	487,244.05	19,656,824.59	167,039.34	2,323,854.72
August 15, 2022	487,239.96	19,169,584.63	185,595.36	2,138,259.36
November 15, 2022.....	487,235.77	18,682,348.86	222,708.76	1,915,550.60
February 15, 2023	487,231.44	18,195,117.42	222,705.91	1,692,844.69
May 15, 2023.....	487,227.00	17,707,890.42	278,375.70	1,414,468.99
August 15, 2023	487,222.42	17,220,668.00	259,814.44	1,154,654.55
November 15, 2023.....	487,217.72	16,733,450.28	1,154,654.55	0.00
February 15, 2024	487,212.86	16,246,237.42	0.00	0.00
May 15, 2024.....	487,207.86	15,759,029.56	0.00	0.00
August 15, 2024	487,202.72	15,271,826.84	0.00	0.00
November 15, 2024.....	487,197.41	14,784,629.43	0.00	0.00
February 15, 2025	487,191.94	14,297,437.49	0.00	0.00
May 15, 2025.....	487,186.29	13,810,251.20	0.00	0.00
August 15, 2025	487,180.48	13,323,070.72	0.00	0.00
November 15, 2025.....	487,174.47	12,835,896.25	0.00	0.00
February 15, 2026	487,168.26	12,348,727.99	0.00	0.00
May 15, 2026.....	487,161.86	11,861,566.13	0.00	0.00
August 15, 2026	487,155.25	11,374,410.88	0.00	0.00
November 15, 2026.....	487,148.40	10,887,262.48	0.00	0.00
February 15, 2027	487,141.34	10,400,121.14	0.00	0.00
May 15, 2027.....	487,134.03	9,912,987.11	0.00	0.00
August 15, 2027	487,126.46	9,425,860.65	0.00	0.00
November 15, 2027.....	9,425,860.65	0.00	0.00	0.00

Rank 113

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 31,308,000.00	\$ 0.00	\$ 6,523,000.00
May 15, 2016.....	415,342.72	30,892,657.28	189,765.07	6,333,234.93
August 15, 2016	445,590.25	30,447,067.03	167,072.62	6,166,162.31
November 15, 2016.....	445,588.31	30,001,478.72	167,071.53	5,999,090.78
February 15, 2017	445,586.34	29,555,892.38	167,070.41	5,832,020.37
May 15, 2017.....	445,584.30	29,110,308.08	167,069.27	5,664,951.10
August 15, 2017	445,582.23	28,664,725.85	167,068.11	5,497,882.99
November 15, 2017.....	445,580.11	28,219,145.74	167,066.90	5,330,816.09
February 15, 2018	445,577.93	27,773,567.81	167,065.67	5,163,750.42
May 15, 2018.....	445,575.70	27,327,992.11	167,064.43	4,996,685.99
August 15, 2018	445,573.42	26,882,418.69	167,063.13	4,829,622.86
November 15, 2018.....	445,571.09	26,436,847.60	167,061.80	4,662,561.06
February 15, 2019	445,568.68	25,991,278.92	167,060.47	4,495,500.59
May 15, 2019.....	487,285.39	25,503,993.53	167,059.08	4,328,441.51
August 15, 2019	487,282.42	25,016,711.11	167,057.66	4,161,383.85
November 15, 2019.....	487,279.37	24,529,431.74	167,056.19	3,994,327.66
February 15, 2020	487,276.24	24,042,155.50	167,054.70	3,827,272.96
May 15, 2020.....	487,273.02	23,554,882.48	167,053.18	3,660,219.78
August 15, 2020	487,269.73	23,067,612.75	167,051.60	3,493,168.18
November 15, 2020.....	487,266.35	22,580,346.40	167,049.98	3,326,118.20
February 15, 2021	487,262.88	22,093,083.52	167,048.33	3,159,069.87
May 15, 2021.....	487,259.31	21,605,824.21	167,046.63	2,992,023.24
August 15, 2021	487,255.65	21,118,568.56	167,044.87	2,824,978.37
November 15, 2021.....	487,251.89	20,631,316.67	167,043.08	2,657,935.29
February 15, 2022	487,248.03	20,144,068.64	167,041.23	2,490,894.06
May 15, 2022.....	487,244.05	19,656,824.59	167,039.34	2,323,854.72
August 15, 2022	487,239.96	19,169,584.63	185,595.36	2,138,259.36
November 15, 2022.....	487,235.77	18,682,348.86	222,708.76	1,915,550.60
February 15, 2023	487,231.44	18,195,117.42	222,705.91	1,692,844.69
May 15, 2023.....	487,227.00	17,707,890.42	278,375.70	1,414,468.99
August 15, 2023	487,222.42	17,220,668.00	259,814.44	1,154,654.55
November 15, 2023.....	487,217.72	16,733,450.28	1,154,654.55	0.00
February 15, 2024	487,212.86	16,246,237.42	0.00	0.00
May 15, 2024.....	487,207.86	15,759,029.56	0.00	0.00
August 15, 2024	487,202.72	15,271,826.84	0.00	0.00
November 15, 2024.....	487,197.41	14,784,629.43	0.00	0.00
February 15, 2025	487,191.94	14,297,437.49	0.00	0.00
May 15, 2025.....	487,186.29	13,810,251.20	0.00	0.00
August 15, 2025	487,180.48	13,323,070.72	0.00	0.00
November 15, 2025.....	487,174.47	12,835,896.25	0.00	0.00
February 15, 2026	487,168.26	12,348,727.99	0.00	0.00
May 15, 2026.....	487,161.86	11,861,566.13	0.00	0.00
August 15, 2026	487,155.25	11,374,410.88	0.00	0.00
November 15, 2026.....	487,148.40	10,887,262.48	0.00	0.00
February 15, 2027	487,141.34	10,400,121.14	0.00	0.00
May 15, 2027.....	487,134.03	9,912,987.11	0.00	0.00
August 15, 2027	487,126.46	9,425,860.65	0.00	0.00
November 15, 2027.....	9,425,860.65	0.00	0.00	0.00

Rank 114

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 31,308,000.00	\$ 0.00	\$ 6,523,000.00
May 15, 2016.....	415,342.72	30,892,657.28	189,765.07	6,333,234.93
August 15, 2016	445,590.25	30,447,067.03	167,072.62	6,166,162.31
November 15, 2016.....	445,588.31	30,001,478.72	167,071.53	5,999,090.78
February 15, 2017	445,586.34	29,555,892.38	167,070.41	5,832,020.37
May 15, 2017.....	445,584.30	29,110,308.08	167,069.27	5,664,951.10
August 15, 2017	445,582.23	28,664,725.85	167,068.11	5,497,882.99
November 15, 2017.....	445,580.11	28,219,145.74	167,066.90	5,330,816.09
February 15, 2018	445,577.93	27,773,567.81	167,065.67	5,163,750.42
May 15, 2018.....	445,575.70	27,327,992.11	167,064.43	4,996,685.99
August 15, 2018	445,573.42	26,882,418.69	167,063.13	4,829,622.86
November 15, 2018.....	445,571.09	26,436,847.60	167,061.80	4,662,561.06
February 15, 2019	445,568.68	25,991,278.92	167,060.47	4,495,500.59
May 15, 2019.....	487,285.39	25,503,993.53	167,059.08	4,328,441.51
August 15, 2019	487,282.42	25,016,711.11	167,057.66	4,161,383.85
November 15, 2019.....	487,279.37	24,529,431.74	167,056.19	3,994,327.66
February 15, 2020	487,276.24	24,042,155.50	167,054.70	3,827,272.96
May 15, 2020.....	487,273.02	23,554,882.48	167,053.18	3,660,219.78
August 15, 2020	487,269.73	23,067,612.75	167,051.60	3,493,168.18
November 15, 2020.....	487,266.35	22,580,346.40	167,049.98	3,326,118.20
February 15, 2021	487,262.88	22,093,083.52	167,048.33	3,159,069.87
May 15, 2021.....	487,259.31	21,605,824.21	167,046.63	2,992,023.24
August 15, 2021	487,255.65	21,118,568.56	167,044.87	2,824,978.37
November 15, 2021.....	487,251.89	20,631,316.67	167,043.08	2,657,935.29
February 15, 2022	487,248.03	20,144,068.64	167,041.23	2,490,894.06
May 15, 2022.....	487,244.05	19,656,824.59	167,039.34	2,323,854.72
August 15, 2022	487,239.96	19,169,584.63	185,595.36	2,138,259.36
November 15, 2022.....	487,235.77	18,682,348.86	222,708.76	1,915,550.60
February 15, 2023	487,231.44	18,195,117.42	222,705.91	1,692,844.69
May 15, 2023.....	487,227.00	17,707,890.42	278,375.70	1,414,468.99
August 15, 2023	487,222.42	17,220,668.00	259,814.44	1,154,654.55
November 15, 2023.....	487,217.72	16,733,450.28	1,154,654.55	0.00
February 15, 2024	487,212.86	16,246,237.42	0.00	0.00
May 15, 2024.....	487,207.86	15,759,029.56	0.00	0.00
August 15, 2024	487,202.72	15,271,826.84	0.00	0.00
November 15, 2024.....	487,197.41	14,784,629.43	0.00	0.00
February 15, 2025	487,191.94	14,297,437.49	0.00	0.00
May 15, 2025.....	487,186.29	13,810,251.20	0.00	0.00
August 15, 2025	487,180.48	13,323,070.72	0.00	0.00
November 15, 2025.....	487,174.47	12,835,896.25	0.00	0.00
February 15, 2026	487,168.26	12,348,727.99	0.00	0.00
May 15, 2026.....	487,161.86	11,861,566.13	0.00	0.00
August 15, 2026	487,155.25	11,374,410.88	0.00	0.00
November 15, 2026.....	487,148.40	10,887,262.48	0.00	0.00
February 15, 2027	487,141.34	10,400,121.14	0.00	0.00
May 15, 2027.....	487,134.03	9,912,987.11	0.00	0.00
August 15, 2027	487,126.46	9,425,860.65	0.00	0.00
November 15, 2027.....	9,425,860.65	0.00	0.00	0.00

Rank 92

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 30,860,000.00	\$ 0.00	\$ 6,540,000.00
May 15, 2016.....	0.00	30,860,000.00	0.00	6,540,000.00
August 15, 2016	215,401.07	30,644,598.93	333,833.39	6,206,166.61
November 15, 2016.....	447,591.46	30,197,007.47	167,977.93	6,038,188.68
February 15, 2017	447,602.24	29,749,405.23	167,984.02	5,870,204.66
May 15, 2017.....	447,613.27	29,301,791.96	167,990.24	5,702,214.42
August 15, 2017	447,624.57	28,854,167.39	167,996.61	5,534,217.81
November 15, 2017.....	447,636.14	28,406,531.25	168,003.13	5,366,214.68
February 15, 2018	447,647.98	27,958,883.27	168,009.82	5,198,204.86
May 15, 2018.....	447,660.11	27,511,223.16	168,016.65	5,030,188.21
August 15, 2018	447,672.54	27,063,550.62	168,023.67	4,862,164.54
November 15, 2018.....	447,685.27	26,615,865.35	168,030.84	4,694,133.70
February 15, 2019	447,698.32	26,168,167.03	168,038.21	4,526,095.49
May 15, 2019.....	489,716.24	25,678,450.79	168,045.75	4,358,049.74
August 15, 2019	489,732.45	25,188,718.34	168,053.48	4,189,996.26
November 15, 2019.....	489,749.05	24,698,969.29	168,061.42	4,021,934.84
February 15, 2020	489,766.10	24,209,203.19	168,069.55	3,853,865.29
May 15, 2020.....	489,783.58	23,719,419.61	168,077.89	3,685,787.40
August 15, 2020	489,801.52	23,229,618.09	168,086.47	3,517,700.93
November 15, 2020.....	489,819.93	22,739,798.16	168,095.25	3,349,605.68
February 15, 2021	489,838.83	22,249,959.33	168,104.29	3,181,501.39
May 15, 2021.....	489,858.25	21,760,101.08	168,113.53	3,013,387.86
August 15, 2021	489,878.18	21,270,222.90	168,123.07	2,845,264.79
November 15, 2021.....	489,898.66	20,780,324.24	168,132.84	2,677,131.95
February 15, 2022	489,919.71	20,290,404.53	168,142.88	2,508,989.07
May 15, 2022.....	489,941.34	19,800,463.19	168,153.22	2,340,835.85
August 15, 2022	489,963.58	19,310,499.61	186,858.21	2,153,977.64
November 15, 2022.....	489,986.45	18,820,513.16	224,260.69	1,929,716.95
February 15, 2023	490,009.98	18,330,503.18	224,276.18	1,705,440.77
May 15, 2023.....	490,034.18	17,840,469.00	280,381.68	1,425,059.09
August 15, 2023	490,059.10	17,350,409.90	261,705.27	1,163,353.82
November 15, 2023.....	490,084.74	16,860,325.16	1,163,353.82	0.00
February 15, 2024	490,111.16	16,370,214.00	0.00	0.00
May 15, 2024.....	490,138.36	15,880,075.64	0.00	0.00
August 15, 2024	490,166.39	15,389,909.25	0.00	0.00
November 15, 2024.....	490,195.29	14,899,713.96	0.00	0.00
February 15, 2025	490,225.07	14,409,488.89	0.00	0.00
May 15, 2025.....	490,255.80	13,919,233.09	0.00	0.00
August 15, 2025	490,287.49	13,428,945.60	0.00	0.00
November 15, 2025.....	490,320.20	12,938,625.40	0.00	0.00
February 15, 2026	490,353.97	12,448,271.43	0.00	0.00
May 15, 2026.....	490,388.84	11,957,882.59	0.00	0.00
August 15, 2026	490,424.87	11,467,457.72	0.00	0.00
November 15, 2026.....	490,462.09	10,976,995.63	0.00	0.00
February 15, 2027	490,500.58	10,486,495.05	0.00	0.00
May 15, 2027.....	490,540.38	9,995,954.67	0.00	0.00
August 15, 2027	490,581.56	9,505,373.11	0.00	0.00
November 15, 2027.....	9,505,373.11	0.00	0.00	0.00

Rank 120

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 30,062,000.00	\$ 0.00	\$ 6,540,000.00
May 15, 2016.....	0.00	30,062,000.00	0.00	6,540,000.00
August 15, 2016	0.00	30,062,000.00	0.00	6,540,000.00
November 15, 2016.....	0.00	30,062,000.00	274,012.05	6,265,987.95
February 15, 2017	235,822.11	29,826,177.89	380,634.37	5,885,353.58
May 15, 2017.....	448,178.41	29,377,999.48	168,308.95	5,717,044.63
August 15, 2017	448,198.62	28,929,800.86	168,320.35	5,548,724.28
November 15, 2017.....	448,219.33	28,481,581.53	168,332.02	5,380,392.26
February 15, 2018	448,240.51	28,033,341.02	168,343.98	5,212,048.28
May 15, 2018.....	448,262.22	27,585,078.80	168,356.22	5,043,692.06
August 15, 2018	448,284.46	27,136,794.34	168,368.76	4,875,323.30
November 15, 2018.....	448,307.25	26,688,487.09	168,381.61	4,706,941.69
February 15, 2019	448,330.60	26,240,156.49	168,394.77	4,538,546.92
May 15, 2019.....	490,475.60	25,749,680.89	168,408.28	4,370,138.64
August 15, 2019	490,504.59	25,259,176.30	168,422.11	4,201,716.53
November 15, 2019.....	490,534.32	24,768,641.98	168,436.31	4,033,280.22
February 15, 2020	490,564.81	24,278,077.17	168,450.87	3,864,829.35
May 15, 2020.....	490,596.09	23,787,481.08	168,465.82	3,696,363.53
August 15, 2020	490,628.20	23,296,852.88	168,481.12	3,527,882.41
November 15, 2020.....	490,661.15	22,806,191.73	168,496.86	3,359,385.55
February 15, 2021	490,694.96	22,315,496.77	168,513.02	3,190,872.53
May 15, 2021.....	490,729.71	21,824,767.06	168,529.59	3,022,342.94
August 15, 2021	490,765.38	21,334,001.68	168,546.61	2,853,796.33
November 15, 2021.....	490,802.03	20,843,199.65	168,564.13	2,685,232.20
February 15, 2022	490,839.68	20,352,359.97	168,582.10	2,516,650.10
May 15, 2022.....	490,878.40	19,861,481.57	168,600.58	2,348,049.52
August 15, 2022	490,918.19	19,370,563.38	187,372.11	2,160,677.41
November 15, 2022.....	490,959.13	18,879,604.25	224,901.69	1,935,775.72
February 15, 2023	491,001.21	18,388,603.04	224,929.44	1,710,846.28
May 15, 2023.....	491,044.54	17,897,558.50	281,227.00	1,429,619.28
August 15, 2023	491,089.11	17,406,469.39	262,506.65	1,167,112.63
November 15, 2023.....	491,135.01	16,915,334.38	1,167,112.63	0.00
February 15, 2024	491,182.27	16,424,152.11	0.00	0.00
May 15, 2024.....	491,230.96	15,932,921.15	0.00	0.00
August 15, 2024	491,281.11	15,441,640.04	0.00	0.00
November 15, 2024.....	491,332.82	14,950,307.22	0.00	0.00
February 15, 2025	491,386.12	14,458,921.10	0.00	0.00
May 15, 2025.....	491,441.10	13,967,480.00	0.00	0.00
August 15, 2025	491,497.81	13,475,982.19	0.00	0.00
November 15, 2025.....	491,556.35	12,984,425.84	0.00	0.00
February 15, 2026	491,616.77	12,492,809.07	0.00	0.00
May 15, 2026.....	491,679.17	12,001,129.90	0.00	0.00
August 15, 2026	491,743.63	11,509,386.27	0.00	0.00
November 15, 2026.....	491,810.25	11,017,576.02	0.00	0.00
February 15, 2027	491,879.11	10,525,696.91	0.00	0.00
May 15, 2027.....	491,950.35	10,033,746.56	0.00	0.00
August 15, 2027	492,024.03	9,541,722.53	0.00	0.00
November 15, 2027.....	9,541,722.53	0.00	0.00	0.00

Rank 135

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 29,530,000.00	\$ 0.00	\$ 6,539,000.00
May 15, 2016.....	0.00	29,530,000.00	0.00	6,539,000.00
August 15, 2016	0.00	29,530,000.00	0.00	6,539,000.00
November 15, 2016.....	0.00	29,530,000.00	0.00	6,539,000.00
February 15, 2017	0.00	29,530,000.00	265,546.96	6,273,453.04
May 15, 2017.....	75,793.00	29,454,207.00	541,578.21	5,731,874.83
August 15, 2017	448,772.68	29,005,434.32	168,644.08	5,563,230.75
November 15, 2017.....	448,802.51	28,556,631.81	168,660.91	5,394,569.84
February 15, 2018	448,833.04	28,107,798.77	168,678.14	5,225,891.70
May 15, 2018.....	448,864.34	27,658,934.43	168,695.78	5,057,195.92
August 15, 2018	448,896.38	27,210,038.05	168,713.85	4,888,482.07
November 15, 2018.....	448,929.23	26,761,108.82	168,732.37	4,719,749.70
February 15, 2019	448,962.88	26,312,145.94	168,751.34	4,550,998.36
May 15, 2019.....	491,234.95	25,820,910.99	168,770.82	4,382,227.54
August 15, 2019	491,276.74	25,329,634.25	168,790.74	4,213,436.80
November 15, 2019.....	491,319.58	24,838,314.67	168,811.21	4,044,625.59
February 15, 2020	491,363.52	24,346,951.15	168,832.19	3,875,793.40
May 15, 2020.....	491,408.61	23,855,542.54	168,853.72	3,706,939.68
August 15, 2020	491,454.87	23,364,087.67	168,875.80	3,538,063.88
November 15, 2020.....	491,502.37	22,872,585.30	168,898.46	3,369,165.42
February 15, 2021	491,551.10	22,381,034.20	168,921.74	3,200,243.68
May 15, 2021.....	491,601.17	21,889,433.03	168,945.64	3,031,298.04
August 15, 2021	491,652.57	21,397,780.46	168,970.19	2,862,327.85
November 15, 2021	491,705.39	20,906,075.07	168,995.40	2,693,332.45
February 15, 2022	491,759.67	20,414,315.40	169,021.31	2,524,311.14
May 15, 2022.....	491,815.46	19,922,499.94	169,047.95	2,355,263.19
August 15, 2022	491,872.80	19,430,627.14	187,886.01	2,167,377.18
November 15, 2022.....	491,931.79	18,938,695.35	225,542.70	1,941,834.48
February 15, 2023	491,992.46	18,446,702.89	225,582.68	1,716,251.80
May 15, 2023.....	492,054.89	17,954,648.00	282,072.33	1,434,179.47
August 15, 2023	492,119.13	17,462,528.87	263,308.02	1,170,871.45
November 15, 2023.....	492,185.28	16,970,343.59	1,170,871.45	0.00
February 15, 2024	492,253.38	16,478,090.21	0.00	0.00
May 15, 2024.....	492,323.55	15,985,766.66	0.00	0.00
August 15, 2024	492,395.84	15,493,370.82	0.00	0.00
November 15, 2024.....	492,470.35	15,000,900.47	0.00	0.00
February 15, 2025	492,547.16	14,508,353.31	0.00	0.00
May 15, 2025.....	492,626.40	14,015,726.91	0.00	0.00
August 15, 2025	492,708.14	13,523,018.77	0.00	0.00
November 15, 2025.....	492,792.49	13,030,226.28	0.00	0.00
February 15, 2026	492,879.56	12,537,346.72	0.00	0.00
May 15, 2026.....	492,969.50	12,044,377.22	0.00	0.00
August 15, 2026	493,062.40	11,551,314.82	0.00	0.00
November 15, 2026.....	493,158.41	11,058,156.41	0.00	0.00
February 15, 2027	493,257.65	10,564,898.76	0.00	0.00
May 15, 2027.....	493,360.31	10,071,538.45	0.00	0.00
August 15, 2027	493,466.50	9,578,071.95	0.00	0.00
November 15, 2027.....	9,578,071.95	0.00	0.00	0.00

Rank 136

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 29,530,000.00	\$ 0.00	\$ 6,539,000.00
May 15, 2016.....	0.00	29,530,000.00	0.00	6,539,000.00
August 15, 2016	0.00	29,530,000.00	0.00	6,539,000.00
November 15, 2016.....	0.00	29,530,000.00	0.00	6,539,000.00
February 15, 2017	0.00	29,530,000.00	265,546.96	6,273,453.04
May 15, 2017.....	75,793.00	29,454,207.00	541,578.21	5,731,874.83
August 15, 2017	448,772.68	29,005,434.32	168,644.08	5,563,230.75
November 15, 2017.....	448,802.51	28,556,631.81	168,660.91	5,394,569.84
February 15, 2018	448,833.04	28,107,798.77	168,678.14	5,225,891.70
May 15, 2018.....	448,864.34	27,658,934.43	168,695.78	5,057,195.92
August 15, 2018	448,896.38	27,210,038.05	168,713.85	4,888,482.07
November 15, 2018.....	448,929.23	26,761,108.82	168,732.37	4,719,749.70
February 15, 2019	448,962.88	26,312,145.94	168,751.34	4,550,998.36
May 15, 2019.....	491,234.95	25,820,910.99	168,770.82	4,382,227.54
August 15, 2019	491,276.74	25,329,634.25	168,790.74	4,213,436.80
November 15, 2019.....	491,319.58	24,838,314.67	168,811.21	4,044,625.59
February 15, 2020	491,363.52	24,346,951.15	168,832.19	3,875,793.40
May 15, 2020.....	491,408.61	23,855,542.54	168,853.72	3,706,939.68
August 15, 2020	491,454.87	23,364,087.67	168,875.80	3,538,063.88
November 15, 2020.....	491,502.37	22,872,585.30	168,898.46	3,369,165.42
February 15, 2021	491,551.10	22,381,034.20	168,921.74	3,200,243.68
May 15, 2021.....	491,601.17	21,889,433.03	168,945.64	3,031,298.04
August 15, 2021	491,652.57	21,397,780.46	168,970.19	2,862,327.85
November 15, 2021.....	491,705.39	20,906,075.07	168,995.40	2,693,332.45
February 15, 2022	491,759.67	20,414,315.40	169,021.31	2,524,311.14
May 15, 2022.....	491,815.46	19,922,499.94	169,047.95	2,355,263.19
August 15, 2022	491,872.80	19,430,627.14	187,886.01	2,167,377.18
November 15, 2022.....	491,931.79	18,938,695.35	225,542.70	1,941,834.48
February 15, 2023	491,992.46	18,446,702.89	225,582.68	1,716,251.80
May 15, 2023.....	492,054.89	17,954,648.00	282,072.33	1,434,179.47
August 15, 2023	492,119.13	17,462,528.87	263,308.02	1,170,871.45
November 15, 2023.....	492,185.28	16,970,343.59	1,170,871.45	0.00
February 15, 2024	492,253.38	16,478,090.21	0.00	0.00
May 15, 2024.....	492,323.55	15,985,766.66	0.00	0.00
August 15, 2024	492,395.84	15,493,370.82	0.00	0.00
November 15, 2024.....	492,470.35	15,000,900.47	0.00	0.00
February 15, 2025	492,547.16	14,508,353.31	0.00	0.00
May 15, 2025.....	492,626.40	14,015,726.91	0.00	0.00
August 15, 2025	492,708.14	13,523,018.77	0.00	0.00
November 15, 2025.....	492,792.49	13,030,226.28	0.00	0.00
February 15, 2026	492,879.56	12,537,346.72	0.00	0.00
May 15, 2026.....	492,969.50	12,044,377.22	0.00	0.00
August 15, 2026	493,062.40	11,551,314.82	0.00	0.00
November 15, 2026.....	493,158.41	11,058,156.41	0.00	0.00
February 15, 2027	493,257.65	10,564,898.76	0.00	0.00
May 15, 2027.....	493,360.31	10,071,538.45	0.00	0.00
August 15, 2027	493,466.50	9,578,071.95	0.00	0.00
November 15, 2027.....	9,578,071.95	0.00	0.00	0.00

B. A350-900

0024

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 87,248,000.00	\$ 0.00	\$ 18,177,000.00
May 15, 2016	1,160,040.32	86,087,959.68	528,298.92	17,648,701.08
August 15, 2016	1,241,717.57	84,846,242.11	465,577.99	17,183,123.09
November 15, 2016	1,241,712.17	83,604,529.94	465,574.94	16,717,548.15
February 15, 2017	1,241,706.66	82,362,823.28	465,571.84	16,251,976.31
May 15, 2017	1,241,701.01	81,121,122.27	465,568.64	15,786,407.67
August 15, 2017	1,241,695.23	79,879,427.04	465,565.39	15,320,842.28
November 15, 2017	1,241,689.31	78,637,737.73	465,562.05	14,855,280.23
February 15, 2018	1,241,683.24	77,396,054.49	465,558.64	14,389,721.59
May 15, 2018	1,241,677.04	76,154,377.45	465,555.12	13,924,166.47
August 15, 2018	1,241,670.68	74,912,706.77	465,551.54	13,458,614.93
November 15, 2018	1,241,664.15	73,671,042.62	465,547.87	12,993,067.06
February 15, 2019	1,241,657.49	72,429,385.13	465,544.09	12,527,522.97
May 15, 2019	1,357,908.60	71,071,476.53	465,540.25	12,061,982.72
August 15, 2019	1,357,900.33	69,713,576.20	465,536.27	11,596,446.45
November 15, 2019	1,357,891.81	68,355,684.39	465,532.22	11,130,914.23
February 15, 2020	1,357,883.09	66,997,801.30	465,528.07	10,665,386.16
May 15, 2020	1,357,874.15	65,639,927.15	465,523.78	10,199,862.38
August 15, 2020	1,357,864.96	64,282,062.19	465,519.40	9,734,342.98
November 15, 2020	1,357,855.55	62,924,206.64	465,514.90	9,268,828.08
February 15, 2021	1,357,845.86	61,566,360.78	465,510.28	8,803,317.80
May 15, 2021	1,357,835.93	60,208,524.85	465,505.54	8,337,812.26
August 15, 2021	1,357,825.73	58,850,699.12	465,500.67	7,872,311.59
November 15, 2021	1,357,815.24	57,492,883.88	465,495.67	7,406,815.92
February 15, 2022	1,357,804.47	56,135,079.41	465,490.52	6,941,325.40
May 15, 2022	1,357,793.41	54,777,286.00	465,485.23	6,475,840.17
August 15, 2022	1,357,782.01	53,419,503.99	517,194.92	5,958,645.25
November 15, 2022	1,357,770.32	52,061,733.67	620,618.11	5,338,027.14
February 15, 2023	1,357,758.27	50,703,975.40	620,610.18	4,717,416.96
May 15, 2023	1,357,745.88	49,346,229.52	775,744.08	3,941,672.88
August 15, 2023	1,357,733.13	47,988,496.39	724,019.76	3,217,653.12
November 15, 2023	1,357,720.01	46,630,776.38	3,217,653.12	0.00
February 15, 2024	1,357,706.49	45,273,069.89	0.00	0.00
May 15, 2024	1,357,692.56	43,915,377.33	0.00	0.00
August 15, 2024	1,357,678.22	42,557,699.11	0.00	0.00
November 15, 2024	1,357,663.42	41,200,035.69	0.00	0.00
February 15, 2025	1,357,648.18	39,842,387.51	0.00	0.00
May 15, 2025	1,357,632.46	38,484,755.05	0.00	0.00
August 15, 2025	1,357,616.24	37,127,138.81	0.00	0.00
November 15, 2025	1,357,599.49	35,769,539.32	0.00	0.00
February 15, 2026	1,357,582.21	34,411,957.11	0.00	0.00
May 15, 2026	1,357,564.36	33,054,392.75	0.00	0.00
August 15, 2026	1,357,545.93	31,696,846.82	0.00	0.00
November 15, 2026	1,357,526.87	30,339,319.95	0.00	0.00
February 15, 2027	1,357,507.18	28,981,812.77	0.00	0.00
May 15, 2027	1,357,486.80	27,624,325.97	0.00	0.00
August 15, 2027	1,357,465.72	26,266,860.25	0.00	0.00
November 15, 2027	26,266,860.25	0.00	0.00	0.00

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 83,826,000.00	\$ 0.00	\$ 18,237,000.00
May 15, 2016.....	0.00	83,826,000.00	0.00	18,237,000.00
August 15, 2016	0.00	83,826,000.00	0.00	18,237,000.00
November 15, 2016.....	0.00	83,826,000.00	765,550.11	17,471,449.89
February 15, 2017	658,284.66	83,167,715.34	1,060,650.87	16,410,799.02
May 15, 2017.....	1,249,706.71	81,918,008.63	469,314.94	15,941,484.08
August 15, 2017	1,249,763.07	80,668,245.56	469,346.73	15,472,137.35
November 15, 2017.....	1,249,820.78	79,418,424.78	469,379.26	15,002,758.09
February 15, 2018	1,249,879.88	78,168,544.90	469,412.60	14,533,345.49
May 15, 2018.....	1,249,940.41	76,918,604.49	469,446.74	14,063,898.75
August 15, 2018	1,250,002.42	75,668,602.07	469,481.71	13,594,417.04
November 15, 2018.....	1,250,065.95	74,418,536.12	469,517.54	13,124,899.50
February 15, 2019	1,250,131.08	73,168,405.04	469,554.26	12,655,345.24
May 15, 2019.....	1,367,648.74	71,800,756.30	469,591.91	12,185,753.33
August 15, 2019	1,367,729.59	70,433,026.71	469,630.49	11,716,122.84
November 15, 2019.....	1,367,812.48	69,065,214.23	469,670.08	11,246,452.76
February 15, 2020	1,367,897.52	67,697,316.71	469,710.67	10,776,742.09
May 15, 2020.....	1,367,984.75	66,329,331.96	469,752.31	10,306,989.78
August 15, 2020	1,368,074.25	64,961,257.71	469,795.05	9,837,194.73
November 15, 2020.....	1,368,166.13	63,593,091.58	469,838.92	9,367,355.81
February 15, 2021	1,368,260.46	62,224,831.12	469,883.94	8,897,471.87
May 15, 2021.....	1,368,357.30	60,856,473.82	469,930.17	8,427,541.70
August 15, 2021	1,368,456.78	59,488,017.04	469,977.67	7,957,564.03
November 15, 2021.....	1,368,558.97	58,119,458.07	470,026.46	7,487,537.57
February 15, 2022	1,368,663.98	56,750,794.09	470,076.60	7,017,460.97
May 15, 2022.....	1,368,771.92	55,382,022.17	470,128.13	6,547,332.84
August 15, 2022	1,368,882.89	54,013,139.28	522,470.91	6,024,861.93
November 15, 2022.....	1,368,997.01	52,644,142.27	627,118.90	5,397,743.03
February 15, 2023	1,369,114.40	51,275,027.87	627,196.26	4,770,546.77
May 15, 2023.....	1,369,235.18	49,905,792.69	784,177.16	3,986,369.61
August 15, 2023	1,369,359.49	48,536,433.20	731,977.04	3,254,392.57
November 15, 2023.....	1,369,487.46	47,166,945.74	3,254,392.57	0.00
February 15, 2024	1,369,619.24	45,797,326.50	0.00	0.00
May 15, 2024.....	1,369,755.00	44,427,571.50	0.00	0.00
August 15, 2024	1,369,894.87	43,057,676.63	0.00	0.00
November 15, 2024.....	1,370,039.03	41,687,637.60	0.00	0.00
February 15, 2025	1,370,187.67	40,317,449.93	0.00	0.00
May 15, 2025.....	1,370,340.96	38,947,108.97	0.00	0.00
August 15, 2025	1,370,499.11	37,576,609.86	0.00	0.00
November 15, 2025.....	1,370,662.32	36,205,947.54	0.00	0.00
February 15, 2026	1,370,830.80	34,835,116.74	0.00	0.00
May 15, 2026.....	1,371,004.80	33,464,111.94	0.00	0.00
August 15, 2026	1,371,184.56	32,092,927.38	0.00	0.00
November 15, 2026.....	1,371,370.30	30,721,557.08	0.00	0.00
February 15, 2027	1,371,562.35	29,349,994.73	0.00	0.00
May 15, 2027.....	1,371,760.95	27,978,233.78	0.00	0.00
August 15, 2027	1,371,966.42	26,606,267.36	0.00	0.00
November 15, 2027.....	26,606,267.36	0.00	0.00	0.00

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Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 85,396,000.00	\$ 0.00	\$ 16,795,000.00
May 15, 2016.....	4,156,924.70	81,239,075.30	445,412.80	16,349,587.20
August 15, 2016	1,641,794.29	79,597,281.01	445,412.80	15,904,174.40
November 15, 2016.....	3,141,703.86	76,455,577.15	445,412.80	15,458,761.60
February 15, 2017	1,141,611.34	75,313,965.81	445,412.80	15,013,348.80
May 15, 2017.....	1,141,516.62	74,172,449.19	445,412.80	14,567,936.00
August 15, 2017	1,141,419.69	73,031,029.50	852,877.82	13,715,058.18
November 15, 2017.....	1,141,320.41	71,889,709.09	134,533.04	13,580,525.14
February 15, 2018	1,141,218.77	70,748,490.32	426,739.90	13,153,785.24
May 15, 2018.....	1,141,114.66	69,607,375.66	426,681.19	12,727,104.05
August 15, 2018	1,141,008.00	68,466,367.66	426,621.03	12,300,483.02
November 15, 2018.....	1,140,898.72	67,325,468.94	426,559.40	11,873,923.62
February 15, 2019	1,140,786.72	66,184,682.22	426,496.24	11,447,427.38
May 15, 2019.....	1,246,896.46	64,937,785.76	426,431.51	11,020,995.87
August 15, 2019	1,246,757.42	63,691,028.34	426,365.11	10,594,630.76
November 15, 2019.....	1,246,614.84	62,444,413.50	426,297.04	10,168,333.72
February 15, 2020	1,246,468.59	61,197,944.91	426,227.23	9,742,106.49
May 15, 2020.....	1,246,318.55	59,951,626.36	426,155.59	9,315,950.90
August 15, 2020	1,246,164.59	58,705,461.77	426,082.09	8,889,868.81
November 15, 2020.....	1,246,006.57	57,459,455.20	426,006.64	8,463,862.17
February 15, 2021	1,245,844.33	56,213,610.87	425,929.21	8,037,932.96
May 15, 2021.....	1,245,677.76	54,967,933.11	425,849.66	7,612,083.30
August 15, 2021	1,245,506.67	53,722,426.44	425,767.98	7,186,315.32
November 15, 2021.....	1,245,330.89	52,477,095.55	425,684.08	6,760,631.24
February 15, 2022	1,245,150.27	51,231,945.28	425,597.83	6,335,033.41
May 15, 2022.....	1,244,964.62	49,986,980.66	425,509.21	5,909,524.20
August 15, 2022	1,244,773.75	48,742,206.91	472,605.13	5,436,919.07
November 15, 2022.....	1,244,577.47	47,497,629.44	566,861.60	4,870,057.47
February 15, 2023	1,244,375.57	46,253,253.87	566,728.54	4,303,328.93
May 15, 2023.....	1,244,167.82	45,009,086.05	708,097.93	3,595,231.00
August 15, 2023	1,243,954.02	43,765,132.03	660,756.61	2,934,474.39
November 15, 2023.....	1,243,733.89	42,521,398.14	2,934,474.39	0.00
February 15, 2024	1,243,507.24	41,277,890.90	0.00	0.00
May 15, 2024.....	1,243,273.75	40,034,617.15	0.00	0.00
August 15, 2024	1,243,033.16	38,791,583.99	0.00	0.00
November 15, 2024.....	1,242,785.21	37,548,798.78	0.00	0.00
February 15, 2025	1,242,529.56	36,306,269.22	0.00	0.00
May 15, 2025.....	1,242,265.89	35,064,003.33	0.00	0.00
August 15, 2025	1,241,993.88	33,822,009.45	0.00	0.00
November 15, 2025.....	1,241,713.16	32,580,296.29	0.00	0.00
February 15, 2026	1,241,423.37	31,338,872.92	0.00	0.00
May 15, 2026.....	1,241,124.10	30,097,748.82	0.00	0.00
August 15, 2026	1,240,814.93	28,856,933.89	0.00	0.00
November 15, 2026.....	1,240,495.43	27,616,438.46	0.00	0.00
February 15, 2027	1,240,165.13	26,376,273.33	0.00	0.00
May 15, 2027.....	1,239,823.53	25,136,449.80	0.00	0.00
August 15, 2027	1,239,470.12	23,896,979.68	0.00	0.00
November 15, 2027.....	23,896,979.68	0.00	0.00	0.00

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 84,098,000.00	\$ 0.00	\$ 16,809,000.00
May 15, 2016.....	2,593,952.20	81,504,047.80	812,555.92	15,996,444.08
August 15, 2016	3,644,100.86	77,859,946.94	228,190.60	15,768,253.48
November 15, 2016.....	1,144,031.83	76,715,915.11	428,151.62	15,340,101.86
February 15, 2017	1,143,961.09	75,571,954.02	428,111.74	14,911,990.12
May 15, 2017.....	1,143,888.70	74,428,065.32	428,070.91	14,483,919.21
August 15, 2017	1,143,814.60	73,284,250.72	428,029.12	14,055,890.09
November 15, 2017.....	1,143,738.71	72,140,512.01	427,986.33	13,627,903.76
February 15, 2018	1,143,661.03	70,996,850.98	427,942.51	13,199,961.25
May 15, 2018.....	1,143,581.44	69,853,269.54	427,897.63	12,772,063.62
August 15, 2018	1,143,499.91	68,709,769.63	427,851.66	12,344,211.96
November 15, 2018.....	1,143,416.38	67,566,353.25	427,804.54	11,916,407.42
February 15, 2019	1,143,330.77	66,423,022.48	427,756.26	11,488,651.16
May 15, 2019.....	1,249,852.60	65,173,169.88	427,706.77	11,060,944.39
August 15, 2019	1,249,746.31	63,923,423.57	427,656.04	10,633,288.35
November 15, 2019.....	1,249,637.33	62,673,786.24	427,603.99	10,205,684.36
February 15, 2020	1,249,525.53	61,424,260.71	427,550.64	9,778,133.72
May 15, 2020.....	1,249,410.85	60,174,849.86	427,495.86	9,350,637.86
August 15, 2020	1,249,293.16	58,925,556.70	427,439.70	8,923,198.16
November 15, 2020.....	1,249,172.37	57,676,384.33	427,382.02	8,495,816.14
February 15, 2021	1,249,048.37	56,427,335.96	427,322.81	8,068,493.33
May 15, 2021.....	1,248,921.03	55,178,414.93	427,262.03	7,641,231.30
August 15, 2021	1,248,790.25	53,929,624.68	427,199.59	7,214,031.71
November 15, 2021.....	1,248,655.89	52,680,968.79	427,135.45	6,786,896.26
February 15, 2022	1,248,517.82	51,432,450.97	427,069.53	6,359,826.73
May 15, 2022.....	1,248,375.91	50,184,075.06	427,001.78	5,932,824.95
August 15, 2022	1,248,230.02	48,935,845.04	474,306.64	5,458,518.31
November 15, 2022.....	1,248,079.98	47,687,765.06	568,965.73	4,889,552.58
February 15, 2023	1,247,925.65	46,439,839.41	568,864.03	4,320,688.55
May 15, 2023.....	1,247,766.85	45,192,072.56	710,840.97	3,609,847.58
August 15, 2023	1,247,603.42	43,944,469.14	663,348.54	2,946,499.04
November 15, 2023.....	1,247,435.16	42,697,033.98	2,946,499.04	0.00
February 15, 2024	1,247,261.90	41,449,772.08	0.00	0.00
May 15, 2024.....	1,247,083.43	40,202,688.65	0.00	0.00
August 15, 2024	1,246,899.52	38,955,789.13	0.00	0.00
November 15, 2024.....	1,246,709.99	37,709,079.14	0.00	0.00
February 15, 2025	1,246,514.58	36,462,564.56	0.00	0.00
May 15, 2025.....	1,246,313.03	35,216,251.53	0.00	0.00
August 15, 2025	1,246,105.10	33,970,146.43	0.00	0.00
November 15, 2025.....	1,245,890.54	32,724,255.89	0.00	0.00
February 15, 2026	1,245,669.01	31,478,586.88	0.00	0.00
May 15, 2026.....	1,245,440.25	30,233,146.63	0.00	0.00
August 15, 2026	1,245,203.93	28,987,942.70	0.00	0.00
November 15, 2026.....	1,244,959.70	27,742,983.00	0.00	0.00
February 15, 2027	1,244,707.23	26,498,275.77	0.00	0.00
May 15, 2027.....	1,244,446.11	25,253,829.66	0.00	0.00
August 15, 2027	1,244,175.97	24,009,653.69	0.00	0.00
November 15, 2027.....	24,009,653.69	0.00	0.00	0.00

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 81,086,000.00	\$ 0.00	\$ 16,893,000.00
May 15, 2016.....	1,078,539.32	80,007,460.68	490,848.50	16,402,151.50
August 15, 2016	1,154,013.53	78,853,447.15	432,693.63	15,969,457.87
November 15, 2016.....	1,154,008.51	77,699,438.64	432,690.81	15,536,767.06
February 15, 2017	1,154,003.38	76,545,435.26	432,687.92	15,104,079.14
May 15, 2017.....	1,153,998.13	75,391,437.13	432,684.96	14,671,394.18
August 15, 2017	1,153,992.76	74,237,444.37	432,681.93	14,238,712.25
November 15, 2017.....	1,153,987.26	73,083,457.11	432,678.82	13,806,033.43
February 15, 2018	1,153,981.62	71,929,475.49	432,675.65	13,373,357.78
May 15, 2018.....	1,153,975.85	70,775,499.64	432,672.40	12,940,685.38
August 15, 2018	1,153,969.94	69,621,529.70	432,669.06	12,508,016.32
November 15, 2018.....	1,153,963.89	68,467,565.81	432,665.65	12,075,350.67
February 15, 2019	1,153,957.68	67,313,608.13	432,662.14	11,642,688.53
May 15, 2019.....	1,261,997.84	66,051,610.29	432,658.56	11,210,029.97
August 15, 2019	1,261,990.15	64,789,620.14	432,654.87	10,777,375.10
November 15, 2019.....	1,261,982.24	63,527,637.90	432,651.10	10,344,724.00
February 15, 2020	1,261,974.13	62,265,663.77	432,647.24	9,912,076.76
May 15, 2020.....	1,261,965.81	61,003,697.96	432,643.27	9,479,433.49
August 15, 2020	1,261,957.28	59,741,740.68	432,639.19	9,046,794.30
November 15, 2020.....	1,261,948.53	58,479,792.15	432,635.00	8,614,159.30
February 15, 2021	1,261,939.54	57,217,852.61	432,630.72	8,181,528.58
May 15, 2021.....	1,261,930.29	55,955,922.32	432,626.31	7,748,902.27
August 15, 2021	1,261,920.82	54,694,001.50	432,621.78	7,316,280.49
November 15, 2021.....	1,261,911.08	53,432,090.42	432,617.12	6,883,663.37
February 15, 2022	1,261,901.06	52,170,189.36	432,612.36	6,451,051.01
May 15, 2022.....	1,261,890.78	50,908,298.58	432,607.44	6,018,443.57
August 15, 2022	1,261,880.19	49,646,418.39	480,664.80	5,537,778.77
November 15, 2022.....	1,261,869.32	48,384,549.07	576,783.09	4,960,995.68
February 15, 2023	1,261,858.13	47,122,690.94	576,775.71	4,384,219.97
May 15, 2023.....	1,261,846.61	45,860,844.33	720,952.31	3,663,267.66
August 15, 2023	1,261,834.76	44,599,009.57	672,881.36	2,990,386.30
November 15, 2023.....	1,261,822.56	43,337,187.01	2,990,386.30	0.00
February 15, 2024	1,261,810.01	42,075,377.00	0.00	0.00
May 15, 2024.....	1,261,797.05	40,813,579.95	0.00	0.00
August 15, 2024	1,261,783.73	39,551,796.22	0.00	0.00
November 15, 2024.....	1,261,769.98	38,290,026.24	0.00	0.00
February 15, 2025	1,261,755.81	37,028,270.43	0.00	0.00
May 15, 2025.....	1,261,741.20	35,766,529.23	0.00	0.00
August 15, 2025	1,261,726.12	34,504,803.11	0.00	0.00
November 15, 2025.....	1,261,710.57	33,243,092.54	0.00	0.00
February 15, 2026	1,261,694.50	31,981,398.04	0.00	0.00
May 15, 2026.....	1,261,677.91	30,719,720.13	0.00	0.00
August 15, 2026	1,261,660.78	29,458,059.35	0.00	0.00
November 15, 2026.....	1,261,643.07	28,196,416.28	0.00	0.00
February 15, 2027	1,261,624.77	26,934,791.51	0.00	0.00
May 15, 2027.....	1,261,605.83	25,673,185.68	0.00	0.00
August 15, 2027	1,261,586.24	24,411,599.44	0.00	0.00
November 15, 2027.....	24,411,599.44	0.00	0.00	0.00

Date	Series A		Series B	
	Scheduled Payments of Principal	Equipment Note Ending Balance	Scheduled Payments of Principal	Equipment Note Ending Balance
At Issuance	\$ 0.00	\$ 79,975,000.00	\$ 0.00	\$ 16,949,000.00
May 15, 2016.....	0.00	79,975,000.00	0.00	16,949,000.00
August 15, 2016	558,297.68	79,416,702.32	865,471.28	16,083,528.72
November 15, 2016.....	1,159,951.14	78,256,751.18	435,321.53	15,648,207.19
February 15, 2017	1,159,979.07	77,096,772.11	435,337.31	15,212,869.88
May 15, 2017.....	1,160,007.69	75,936,764.42	435,353.41	14,777,516.47
August 15, 2017	1,160,036.95	74,776,727.47	435,369.94	14,342,146.53
November 15, 2017.....	1,160,066.93	73,616,660.54	435,386.83	13,906,759.70
February 15, 2018	1,160,097.62	72,456,562.92	435,404.15	13,471,355.55
May 15, 2018.....	1,160,129.06	71,296,433.86	435,421.87	13,035,933.68
August 15, 2018	1,160,161.27	70,136,272.59	435,440.03	12,600,493.65
November 15, 2018.....	1,160,194.27	68,976,078.32	435,458.65	12,165,035.00
February 15, 2019	1,160,228.09	67,815,850.23	435,477.72	11,729,557.28
May 15, 2019.....	1,269,119.19	66,546,731.04	435,497.28	11,294,060.00
August 15, 2019	1,269,161.19	65,277,569.85	435,517.32	10,858,542.68
November 15, 2019.....	1,269,204.25	64,008,365.60	435,537.87	10,423,004.81
February 15, 2020	1,269,248.41	62,739,117.19	435,558.95	9,987,445.86
May 15, 2020.....	1,269,293.71	61,469,823.48	435,580.59	9,551,865.27
August 15, 2020	1,269,340.20	60,200,483.28	435,602.79	9,116,262.48
November 15, 2020.....	1,269,387.92	58,931,095.36	435,625.56	8,680,636.92
February 15, 2021	1,269,436.91	57,661,658.45	435,648.95	8,244,987.97
May 15, 2021.....	1,269,487.21	56,392,171.24	435,672.97	7,809,315.00
August 15, 2021	1,269,538.88	55,122,632.36	435,697.62	7,373,617.38
November 15, 2021	1,269,591.95	53,853,040.41	435,722.97	6,937,894.41
February 15, 2022	1,269,646.50	52,583,393.91	435,749.01	6,502,145.40
May 15, 2022.....	1,269,702.55	51,313,691.36	435,775.78	6,066,369.62
August 15, 2022	1,269,760.19	50,043,931.17	484,250.53	5,582,119.09
November 15, 2022.....	1,269,819.46	48,774,111.71	581,180.52	5,000,938.57
February 15, 2023	1,269,880.44	47,504,231.27	581,220.69	4,419,717.88
May 15, 2023.....	1,269,943.16	46,234,288.11	726,620.32	3,693,097.56
August 15, 2023	1,270,007.72	44,964,280.39	678,219.66	3,014,877.90
November 15, 2023.....	1,270,074.20	43,694,206.19	3,014,877.90	0.00
February 15, 2024	1,270,142.63	42,424,063.56	0.00	0.00
May 15, 2024.....	1,270,213.15	41,153,850.41	0.00	0.00
August 15, 2024	1,270,285.79	39,883,564.62	0.00	0.00
November 15, 2024.....	1,270,360.66	38,613,203.96	0.00	0.00
February 15, 2025	1,270,437.87	37,342,766.09	0.00	0.00
May 15, 2025.....	1,270,517.48	36,072,248.61	0.00	0.00
August 15, 2025	1,270,599.62	34,801,648.99	0.00	0.00
November 15, 2025.....	1,270,684.39	33,530,964.60	0.00	0.00
February 15, 2026	1,270,771.90	32,260,192.70	0.00	0.00
May 15, 2026.....	1,270,862.27	30,989,330.43	0.00	0.00
August 15, 2026	1,270,955.63	29,718,374.80	0.00	0.00
November 15, 2026.....	1,271,052.10	28,447,322.70	0.00	0.00
February 15, 2027	1,271,151.85	27,176,170.85	0.00	0.00
May 15, 2027.....	1,271,254.99	25,904,915.86	0.00	0.00
August 15, 2027	1,271,361.72	24,633,554.14	0.00	0.00
November 15, 2027.....	24,633,554.14	0.00	0.00	0.00

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U.S.\$1,020,823,000

**2015-1 Pass Through Trusts
Pass Through Certificates, Series 2015-1**

OFFERING MEMORANDUM

May 14, 2015

Sole Structuring Agent, Global Coordinator and Lead Bookrunner

Citigroup

Joint Bookrunners

Deutsche Bank Securities

J.P. Morgan

Natixis
