

If more convenient, information requested in this Application may be attached rather than entered on the face of the form.

*Loan matters correspondence should be directed to:
Tom Davies, 20 Foster Crescent, Belmont, Lower Hutt.
Telephone: 04 565 0204, Fax: 04 565 3822, E-mail: Tom.Davies@clear.net.nz*

Applicant Details

Name of entity applying for a loan: _____

Address: _____
_____ Postcode: _____

Name of person with whom Gliding New Zealand Umbrella Trust should deal: _____

Address: _____
_____ Postcode: _____

Telephone No: _____

Fax No: _____

Email Address: _____

Loan Applicant's Solicitor: _____

Address: _____
_____ Postcode: _____

Telephone No: _____

Fax No: _____

Loan Details

Loan amount applied for: \$ _____

Purpose of Loan: _____

Total cost of project for which loan is required: \$ _____

How will the applicant finance the difference between the total cost of the project and the amount of the loan applied for?

Describe the cash flows which will be used to service the loan, both principal repayments and interest.

Security

Details of Security Offered: _____

Estimated Value of Security: \$ _____

Guarantors

Provide the names and addresses of four guarantors

1. Name: _____

Address: _____
_____ Postcode: _____

2. Name: _____

Address: _____
_____ Postcode: _____

3. Name: _____

Address: _____
_____ Postcode: _____

4. Name: _____

Address: _____
_____ Postcode: _____

Additional Information

Please note or attach, as appropriate, the following:

1. Latest financial statements
2. Significant changes in financial position since the date of the latest financial statements

3. Details of existing loans from other lending institutions or members, including repayment arrangements

4. Are any of the loans mentioned in #3 above in arrears?

5. Summary of hours flown in the last 12 months _____
6. Summary of number of launches in last 12 months _____
7. Number of **active** flying members _____
8. Details of current fleet _____

9. Existing charges over assets _____

Notes to Assist Loan Applicants

General Lending Policy

Gliding New Zealand Umbrella Trust's general policy is to make loans available to gliding clubs for the acquisition of major assets, such as gliders, tow aircraft and hangars. On occasions the Gliding New Zealand Umbrella Trust may make loans to assist clubs with major tug engine maintenance, but we normally expect such costs to be met by clubs from their operating revenues. Gliding New Zealand Umbrella Trust does not expect to be the sole supplier of finance for a project, and we expect to see a significant portion of the project being financed from the applicant's own resources. Loans are only made when the Gliding New Zealand Umbrella Trust is satisfied that the applicant has the resources and scale of operations to be able to service the loan from normal cash flows.

Information Requirements

Gliding New Zealand Umbrella Trust requires a certain amount of information from loan applicants (hence this application form), the purpose of which is to:

- Ascertain the purpose of loan so that the Gliding New Zealand Umbrella Trust can check that it falls within its lending policy.
- Learn the contribution that the applicant is making to the project.
- Obtain relevant information to gauge the ability of the applicant to service the loan, both as regards interest and repayments of principal.
- Get full details of contacts within the applicant's organisation.

Loan Terms

Loans are for five years maximum with equal annual repayments, the first payment commencing one year after the loan is drawn down. Interest is payable quarterly in arrears. The interest rate is set from time to time at a level below normal bank lending rates. Rates can vary through the life of the loan whenever Gliding New Zealand Umbrella Trust adjusts the rate to reflect the usual relativity to banking lending rates. Loans can be repaid early without penalty.

A Loan Application Fee of 0.5% of borrowings, with a minimum of \$500, is payable on approval of the loan. If the applicant can't wait for Trust investments to mature to draw down loan funds, then the applicant will incur any investment break costs.

Security

All loans are required to be secured in some way. Usually this is by way of a registered first charge over an aircraft, glider or tug which must be fully insured with Gliding New Zealand Umbrella Trust's interest as security-holder noted by the insurer. Security over hangars and clubhouses is not acceptable. Also, four guarantors are required.

Loan Documentation

Gliding New Zealand Umbrella Trust uses standard documentation drawn up for it by a major legal firm. This is supplied in draft form to successful loan applicants for completion by their solicitors. The use of solicitors does introduce a further cost, but this is unavoidable as it is essential that the documentation be professionally completed and registered with the Court or other agency as required by law. Also, guarantors are required by law to receive certain legal advice if their guarantees are to be binding. On the rare occasions when some form of legal action is required to recover a loan, Gliding New Zealand Umbrella Trust does not want to find itself unable to act because of some legal requirement not having been properly fulfilled when the loan was granted.

Legal costs are the responsibility of the loan applicant. It helps greatly if the applicant club has a solicitor among its members, or has an honorary solicitor. If it does not, then the legal costs appear to be around \$1,500 on average.