

ABX AIR INC  
Form 8-K  
May 02, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 8-K**

**Current Report**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): 04/25/2007**

**ABX AIR, INC.**

(Exact name of registrant as specified in its charter)

**Commission File Number: 000-50368**

**DE**  
(State or other jurisdiction of  
incorporation)

**91-1091619**  
(IRS Employer  
Identification No.)

**145 Hunter Drive, Wilmington, OH 45177**  
(Address of principal executive offices, including zip code)

**(937) 382-5591**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Information to be included in the report

### Item 1.01. Entry into a Material Definitive Agreement

On April 25, 2007, ABX Air, Inc. borrowed \$17.5 million from Chase Equipment Leasing, Inc. pursuant to a loan and security agreement and related promissory note, for the purpose of financing the acquisition and modification of a Boeing 767 aircraft that ABX Air acquired from Delta Air Lines.

The financing arrangement is for a term of 10 years (ending May 1, 2017) at a fixed interest rate of 6.918%% per annum. The indebtedness is required to be repaid in monthly installments of principal and interest during the term. A final balloon payment is due at the end of the term in the amount of 30% of the original principal amount plus any accrued interest. ABX Air may repay the loan in full at any time after the second year of the term for an amortizing prepayment fee equal to 2% of the remaining unpaid principal. The indebtedness is collateralized by the Boeing 767 aircraft to which the financing relates.

The entire amount of unpaid principal and interest may be accelerated and/or the collateralized aircraft repossessed in the event of default under the loan and security agreement or the promissory note. In addition, a 5% late charge may be assessed with respect to any overdue installment payment or other amount payable under the agreement or promissory note. The entire indebtedness may be subject to acceleration if certain other events of default occur. Additional terms of the financing arrangement, including negative covenants and events of default, are set forth in the loan and security agreement and the promissory note.

ABX Air previously reported that it had entered into three similar loan and security agreements with Chase Equipment Leasing, Inc., each for a different Boeing 767 aircraft, on August 24, 2006, October 10, 2006 and February 16, 2007.

ABX Air also has a \$45 million credit facility through a syndicated credit agreement with JP Morgan Chase Bank N.A. as the lead bank, which is the parent and sole shareholder of Chase Equipment Leasing, Inc. An event of default under the credit agreement with JP Morgan Chase Bank N.A. will also constitute an event of default under the new loan agreement with Chase Equipment Leasing, Inc. reported in this Item 1.01 and the prior loan agreements entered into on August 24, 2006, October 10, 2006 and February 16, 2007.

### Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information set forth in Item 1.01 above is hereby incorporated by reference in this Item 2.03.

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#### Signature(s)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABX AIR, INC.

Date: May 01, 2007

By: /s/ W. Joseph Payne

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W. Joseph Payne  
Vice President, General Counsel & Secretary