



LOAN PROPOSAL

February 14th, 2015 | Prepared for Lending Members | Prepared by: Ablrate | Proposal number: 0215001

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February 12th, 2015

Phoenix Aircraft Capital Corp

Thank you for the opportunity to submit a proposal for a loan.

The following document describes the loan purposed, the asset it's secured against, how repayments will be made, at what frequency and the supplemental terms of the loan. We have also included information from Ascend Worldwide, who are one of the premier valuers in our sector along with a short public video from ATR describing the fuel efficient nature of the ATR to give you information on the type of aircraft the ATR is. They have many other videos at 'ATRbroadcast' on YouTube.



The purpose of the loan is to refinance the aircraft from our current funders. The aircraft is on lease at £49,000 per month with £32,000 being paid in maintenance reserves. The funders are under contract to sell the aircraft to us (as the current lessors) and we would like to take up this option as there is excellent value within the aircraft. We will be running the aircraft to the end of its lease in 2 years and then re-lease it to other customers, selling the aircraft with lease attached to pay the loan capital to Lenders.

Ascend values the aircraft currently at \$5.35 million (£3.5 million at current rates) giving Lenders £1,025,000 in security above the value of the loan request (giving a 71% loan to value). The residual value projection is \$3.48 million (£2.3 million at current rates) at the end of the term (figures available in the documents to download), current market values suggest that this residual is conservative. Net cash will be accumulated within the SPV at £12,000 per month leaving the aircraft + cash value at the end of the term of £2.732 million at the lowest residual values. The maintenance reserves will also accrue in the account and the Ascend projected lease rate at the end of the term is £43,000 per month.

We are seeking £2,475,000 at 11% interest over 3 years.

We look forward to your bids. If you have any questions please use the Ablrate site and we will promptly answer your queries.

Sincerely,

A handwritten signature in black ink, appearing to read "Antony Griffin", with a long, sweeping horizontal line extending to the right.

Antony Griffin
CEO
Phoenix Aircraft Leasing Pte Limited
Phoenix Aircraft Capital Corp

*Loan units will be eligible for sale on the Secondary Market

1.0

Phoenix Aircraft Capital Corp

Who they are

Phoenix Aircraft Capital Corp is a special purpose vehicle company of Phoenix Aircraft Leasing Pte Ltd ("PAL") (www.phoenixaircraftleasing.com). PAL was incorporated in 2005 in the Republic of Singapore by Antony Griffin, one of the founding Directors of TransAsian Aircraft Leasing and TransWorld Aircraft Leasing as a development out of the experience and activities of these companies in the airline markets of Asia and to build a specialist regional aircraft leasing and sales facility in South East Asia and the surrounding countries.

The continuing growth of the airline industry in this region has provided a huge potential for the demand to be serviced by a true regional specialist providing a full service aircraft leasing company, especially in regional turboprops and regional jets.

What they do

Tony Griffin and his companies have been leasing and selling commercial aircraft in Asia and world-wide since 1969 with their offices in Singapore, the Philippines, Indonesia and Malaysia and have a long and active experience in this market. Customer and supplier airlines over the last forty years have included full service airlines, regionals and domestics including such airlines as Singapore Airlines, Air France, KLM UK, KLM CitiHopper, British Airways, American Airlines, Northwest Airlines, China Airlines, Saudia, UBA and Myanmar Airways, Korean Airlines; Garuda Indonesia; Merpati Nusantara; Mandala Airlines; United Airways (BD) and many others. Their current fleet of aircraft leased and a selection of transactions can be viewed on the news section of their website.

Since opening in Singapore nine years ago, Phoenix Aircraft Leasing has purchased, leased out and sold 40 commercial airline aircraft from companies as diverse as ATR, China Eastern Airlines; Lufthansa, Flightline; Cyprus Airways, Adria Airlines and Island Air, Hawaii. These aircraft have included the Airbus A310 Widebodies; Airbus A 320-200; Boeing BBJ; MD 82 and 83s; ATR 72 and- 42 turboprops; Bombardier Dash 8 turboprops and Fokker F 100s.

Why they do it

The aircraft leasing industry is a lucrative business, however the regional aircraft market has traditionally been a difficult market to attract finance for leasing companies. Phoenix decided 9 years ago to use their experience in the market to set up in Singapore and specialise in regional aircraft. Phoenix have completed 40 transactions since this time and have been profitable from inception.

LOAN OVERVIEW



Introduction

Phoenix Aircraft Leasing Pte Ltd of Singapore purchased the aircraft and delivered it to SATENA on the 20th February 2012 and are now seeking to buy the aircraft outright from existing funders using the special purpose company, Phenix Aircraft Capital Corp.

Loan

- **Loan Required:** £2,475,000
- **Interest offered:** 11%
- **Term:** 3 years
- **Security:** Underlying security is ATR 42 500 MSN 532 on a first charge upon purchase.
- **Insurance:** Fully Insured
- **Serial Number:** MSN 532

Lessee Description

SATENA was first established on April 12, 1962 by the President of the Republic, Alberto Lleras Camargo, who created the airline using Decree 940 in order "to form an aerial transport service for the benefit of the underdeveloped regions of the country, with the object of promoting the welfare of educational campaigns, agricultural and pastoral development and the economic and social progress of such territories." In order to achieve this under government auspices, the airline was then entrusted to the control of the Colombian Air Force.

Over the last 4 years they have been adding a fleet of turboprop aircraft and currently operate 9 ATR aircraft including two leased from Phoenix Aircraft Leasing, the first was delivered in February 2012. Payment on this aircraft (and the history Phoenix have with MSN 532) has been first class.

3.0

Repayment Time line

Drawdown / Immediately on auction completion

Auction Completion
Expected

Drawdown of the loan will be upon the closing of the loan request period (or sooner should the loan close early) and the acceptance of the offers by the borrower. Our standard loan conditions have been accepted by the borrower and have been completed to our satisfaction.

12th April 2014

Interest Payments Begin / 1 month from drawdown

First Interest Payment
Due

Interest payments will be credited to Lending Members accounts on Ablate on a monthly basis.

12th May 2014

Capital Repayment / 3 years from drawdown (eligible for Secondary Market)

Capital Repayment Date

This is an interest only loan with capital repayment being made on the third anniversary of the loan. The loan units purchased by Lending Members are also eligible to be offered in the Secondary Market of Ablate.

13th February 2018

Bonus Elements

Expected Bonus
payment

This loan carries Instant Returns at the prevailing rate and will be paid into the lenders account up the loan drawdown.

The schedule is based on the loan start and finish dates. Any changes in drawdown dates or completion dates may change the schedule to a later or earlier date. All Lenders will be informed of the drawdown date and will be able to see a schedule of repayments in their personal dashboard (along with the performance of those payments when the interest payments are received).

SUPPLEMENTAL LOAN TERMS

Introduction

These terms are supplemental to the Standard Loan Agreement. Should you bid on this loan you are accepting the Standard Loan Terms and these additional, supplementary, Loan Terms. Please make sure you read these terms thoroughly and that you have read the Standard Loan Terms governing this loan. Once you have bid on a loan you cannot subsequently withdraw that bid.

Borrower: Phoenix Aircraft Capital Corp

Address: 2F Landmark Square, 64 Earth Close, 7 Mile Bch, Grand Cayman, Cayman Islands

Project: ATR 42-500 MSN 532 (Loan Number: #1215001)

Identification of the Parties: This Agreement is made between Phoenix Aircraft Capital Corp (the "Borrower") whose registered office is 2F Landmark Square, 64 Earth Close, 7 Mile Bch, Grand Cayman, Cayman Islands and the Lending Member who has bid for loan units and is identified in the records of the Ablrate Platform (the "Lending Member").

1. Purpose of Agreement.

This agreement forms the Loan Contract Details which are supplemental to the Standard Loan Terms published on Ablrate and available for download at any time. The Lending Member and Borrower are agreeing to those Standard Terms and agree that these Supplemental Terms are in addition to, and do not replace, those Standard Terms.

2. Amendments / Modifications

Amendments may not be made to this agreement unless agreed by all Lending Members and the Borrower excluding those terms in the Standard Loan Terms which cover the automatic novation of the agreement in the event of default by the Borrower.

3. Interest Rate

The rate offered by this Borrower is 11%, interest only per annum (paid monthly) and this will be a fixed rate loan request. Capital will be paid back on the third anniversary of the loan along with the final interest payment.

4. Fees / Payment

There are no fees to the Lender on this loan.

5. Additional Expenses

Legal expenses of the loan are to be borne by the parties.

6. Loan Term

The loan term is 3 years from drawdown.

7. Taxes

Each Lending member is responsible for reporting any tax liability they may accrue from income gained in this transaction. Each Lending Member agrees that Aviation and Tech Capital Ltd are not responsible for Lending Member's tax submissions.

8. Copyright and Trademarks

Certain trademarks and material may be used within the descriptions of the loan transaction contemplated herein. All copyrights and trademarks remain the property of those companies discussed in this loan transaction and trademarks may not be used, nor copyrighted material re-transmitted or reproduced without the express permission of the companies involved. Such copyrighted materials are for the sole purpose of reviewing the transaction in question by registered and verified members and are not in the public domain.

9. Indemnification

You agree to indemnify Aviation and Tech Capital Ltd (also described as 'Ablrate' or 'Ablrate.com') and Ablrate Assets Limited from any action arising from any losses incurred in this transaction. You also agree that any third party who are not a party to this loan but whom may be part of the overall transaction, such as banks and third party insurers, are indemnified from any action by yourself in connection with losses, actual or implied, by your participation in this loan.

10. Security

Security is a floating charge over the shares of Phoenix Aircraft Capital Corp., who in turn, upon closing of the loan, will own ATR 42-500 MSN 532. Ascend values the aircraft currently at \$5.35 million (£3.5 million at current rates) with a residual value projection of \$3.48 million (£2.3 million at current rates) at the end of the term (figures available in the documents to download), current market values suggest that this residual is conservative. Net cash will be accumulated within the SPV at £12,000 per month leaving an aircraft + cash value at the end of the term of £2.732 million. The maintenance reserves will also accrue in the account. The Ascend projected lease rate at the end of the term is £43,000 per month (please attached valuations from Ascend). The assets of Phoenix Aircraft Capital Corp. will therefore be MSN 532, the cash accumulating within the company and the maintenance reserves. Ablrate Assets Limited are the security holders on behalf of Lending Members and David Bradley-Ward is a non-remunerated director of Phoenix Aircraft Capital Corp., representing Lenders' Interests.

11. Recourse

In the first instance recourse for the loan is Phoenix Aircraft Capital Corp. ("PACC") who are the borrowers of the funds in this transaction. Should PACC default on the loan then Ablrate Assets Limited (AAL) will enforce the rights of all Lending Members against PACC and the income coming through that entity in accordance with our default procedures detailed in our terms and conditions.

12. Completeness

Our Standard Terms and Conditions along with these Supplemental Loan Terms govern this agreement. There are no other terms that govern this agreement and these agreements are a full and complete representation of this transaction. Any additional terms agreed verbally or otherwise are not valid unless detailed within this agreement. Any changes to this agreement are only valid if those changes are in writing and agreed by all Lending Members and Borrower.

13. Applicable Law / Dispute Resolution

These terms and those of our Standard Terms and Conditions are governed by the laws of England and Wales and you agree to submit to these courts and these courts alone should you have reason to dispute the loan terms at any stage in the loan term or such time after.