



LOAN PROPOSAL

September 19th, 2014 | Prepared for Lending Members | Prepared by: Ablrate | Proposal number: 0914002

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September 19th, 2014



Phoenix Aircraft Investments (UK) Limited

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

The following document describes the loan purpose, the asset secured against it, 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 which ATR posted. This will 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 release some of the equity that we hold within an aircraft which we purchased from EuroLot and have sold on a lease purchase to United Airways (BD) Ltd for \$5,295,000 (£3,240,000 at today's rates), this includes a spare engine insured to the value of \$900,000 (£551,000 at today's rates). United Airways paid a deposit of \$3,600,000 (£2,205,000 at today's rates) the balance is being funded by monthly payments of \$56,500 per month (£34,600 at today's rates). The original transaction closed on 14th August 2013.

The loan is secured via a registered mortgage over the entire ownership shares of Phoenix Aircraft Investments (UK) Ltd which in turn is secured by MSN 402 an ATR 72 202 aircraft via a lease purchase from Phoenix Aircraft Leasing Pte Ltd.

Ascend residual value projections (available in the documents to download) shows a residual value at the end of the term of \$3.08 million (£1.85 million at today's rates). Ablrate Assets Limited are also a named director on Phoenix Aircraft Investments (UK) Ltd in order to secure lending members interests in the transaction.

We are posting £200,000 of this transaction and setting a rate of 12% on a fixed rate basis with capital repayment in 17 months.

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

Sincerely,
Antony Griffin
CEO
Phoenix Aircraft Investments Ltd

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

Phoenix Aircraft Investments

Who they are

Phoenix Aircraft Leasing (UK) Ltd is a special purpose vehicle company of Phoenix Aircraft Leasing Pte Ltd. Phoenix was incorporated in 2005 in the Republic of Singapore by Antony Griffin and is a direct descendant of the Templewood Aviation Group which was founded in 1967. Tony Griffin, the Managing Director of Phoenix, has been actively and continuously involved in the management and share holding of the group and its succeeding companies since founding. As a development out of the experience and activities of these companies in the airline markets of Asia he founded Phoenix 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.

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, Hawaiian. 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 from Eurolot and contracted to sell the aircraft via a lease purchase to United Airways (BD) Ltd a company listed on the Bangladesh Stock Exchange. The transaction closed and began a 30 month lease purchase term in August 2013.

Loan

- Loan Required: £200,000
- Interest offered: 12%
- Term: 17 months
- Security: Underlying security is ATR 72- 202 MSN 402
- Fully Insured
- Serial Number: MSN 402

Description

United Airways (BD) Ltd, operating as United Airways is a Bangladeshi airline headquartered in Uttara, Dhaka. It operates flights from its main hub at Shahjalal International Airport in Dhaka and secondary hub at Shah Amanat International Airport in Chittagong.

It was founded in 2005 and began flights on 10 July 2007. United Airways is the first listed company in the aviation sector of Bangladesh; it became listed in July 2010. In the fiscal year 2012-13 it made profits of BDT 1154 million (£9 million). In seven years of operations, it operated 48,000 flights, carried 2 million passengers and 5,000 tonnes of cargo. As of 2014, it employs over 1000 people. It is currently the largest private airline in Bangladesh.

United Airways has received 9 aircraft from Phoenix in the last six years.

3.0

ABLRATE RATING

Our rating is based on our own internal credit profiling of the lessor, the asset, the lessee and the due diligence performed on the transaction as it stands. This rating is an internal rating, performed on a best efforts basis, and should not be taken as guarantee by Ablrates.

Explanation of our rating:

- 1** **Excellent security profile of the asset, excellent credit profile of lessor and lessee.**
- 2** **Excellent security profile of the asset and excellent credit of the lessor, good credit profile of the lessee.**
- 3** **Excellent security profile of the asset, good profile of the lessor and lessee.**

Asset:

The aircraft in question has been well maintained. The professional valuations on the aircraft show excellent security throughout the term of the loan. The structure of the transaction is a typical lease purchase aircraft structure and we have reviewed all of the paperwork involved.

The aircraft carries full insurance in the event of any damage or loss.

Lessor:

The lessor is a well respected lessor in the regional aircraft space and has delivered nine aircraft to United Airways in the last six years. The Lessor has been profitable from inception in 2005.

Lessee:

The United Airways is the first listed company in the aviation sector of Bangladesh; it became listed in July 2010. In the fiscal year 2012-13 it made profits of BDT 1154 million (£9 million). In seven years of operations, it operated 48,000 flights, carried 2 million passengers and 5,000 tonnes of cargo. As of 2014, it employs over 1000 people.

RATING:

- 1** Based on our review of the due diligence performed, structures and security documentation, the asset backing the transaction and the participants in the transactions, we have rated this transaction as a 1.

4.0

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.

3rd November 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.

3rd December 2014

Capital Repayment / 17 months from drawdown (eligible for Secondary Market)

Capital Repayment Date

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

4th May 2016

Bonus Elements

Expected Bonus
payment

This loan qualifies for the Ablate 'Instant Return' feature, where interest is accrued at the prevailing rate from the day you bid. Please see the platform for more details.

**Instant returns from
the day you bid**

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 Investments (UK) Ltd

Address: C/O Aviation & Tech Capital Ltd / Scotts Sufferance Wharf, 5 Mill St, City of London, Greater London SE1 2DE

Project: ATR 72-202 (Loan Number: #0814002)

Identification of the Parties: This Agreement is made between Phoenix Aircraft Investments (UK) Limited (the "Borrower") whose registered office is c/o Aviation and Tech Capital, Scotts Sufferance Wharf, 5 Mill St, City of London, Greater London SE1 2DE

and the Lending Member who has bid for loan units and is identified in the records of the Ablate Platform

1. Purpose of Agreement

This agreement forms the Loan Contract Details which are supplemental to the Standard Loan Terms published on Ablate 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 Agreement which cover the automatic novation of the agreement in the event of default by the Borrower.

3. Interest Rate

The rate inputted by this Borrower is 12% and this will be a fixed rate loan request.

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 17 months from drawdown.

7. Taxes

There are no withholding taxes on the payments made to Lending Members on this transaction. Each Lending member is responsible for reporting any tax liability they may have 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.

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

The loan is secured via a registered mortgage over the entire ownership shares of Phoenix Aircraft Investments (UK) Ltd which in turn is secured by a secondary charge on MSN 402 an ATR 72-202 aircraft on a lease purchase from Phoenix Aircraft Leasing Pte Ltd. The aircraft has been sold for \$5,295,000 (£3,240,000 at today's rates), this includes a spare engine insured to the value of \$900,000 (£551,000 at today's rates). The original transaction closed on 14th August 2013 on a term of 30 months with payments of \$56,500 per month (£34,600 at today's rates). Ablrate Assets Limited are also a named director on Phoenix Aircraft Investments (UK) Ltd in order to secure lending members interests in the transaction).

11. Recourse

In the first instance recourse for the loan is Phoenix Aircraft Investments (UK) Limited (PAIUK) who are the borrowers of the funds in this transaction. Should PAIUK default on the loan then Ablrate Assets Limited (AAL) will enforce the rights of all Lending Members against this company and Phoenix Aircraft Leasing Pte Ltd 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 thereafter.

5.0

Document review

Introduction

The following documents have been reviewed as part of the due diligence on this transaction:

A. PRINCIPAL FINANCE DOCUMENTS

1. Loan Agreement
2. Drawdown Notice

B. SECURITY DOCUMENTS

3. Security Deed
4. Mortgage over Shares in respect of Borrower
5. Original share certificates in respect on the initial shares
6. Notice of Mortgage from the Borrower to Ablrate Assets Ltd and Acknowledgement

C. AIRCRAFT DOCUMENTS

7. Aircraft Sale Agreement between the Seller and PAL
8. Aircraft Sale Agreement between PAL and Borrower
9. Bill of Sale signed by the Seller
10. Acceptance Certificate signed by PAL
11. Bill of Sale signed by PAL
12. Acceptance Certificate signed by Borrower
13. Historical bills of sale
14. No Incident and No Accident Statement of Seller
15. Air Operators Certificate
16. Certificate of Ownership
17. Certificate of Airworthiness
18. Airworthiness Review Certificate
19. Export Certificate of Airworthiness

C. AIRCRAFT DOCUMENTS - Cont..

20. Customs declaration form in respect of the Aircraft

21. Insurance Certificate

22. Reinsurance Certificate and Broker's letter of Undertaking

23. English law De-registration and Export Request Authorisation from Lessee to the Borrower and Lessor

24. Irrevocable De-registration and Export Request Authorisation from the Lessee to Lessor

25. Operating License of Lessee

26. Inspection Report in respect of the aircraft

D. LEASE DOCUMENTS

27. Lease Purchase Agreement

28. Acceptance Certificate

E. CORPORATE DOCUMENTS

29. Directors certificates of PAL together with the corporate documents referred to therein.

G. FILINGS AND POST COMPLETION MATTERS

30. Certificate of Registration (updated to reflect new owner) in respect of the Aircraft

31. Updated register of mortgages and charges