



LOAN PROPOSAL

July 2nd, 2014 | Prepared for Lending Members | Prepared by: Phoenix Aircraft Leasing | Proposal number: 0714001

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July 2nd, 2014

Phoenix Aircraft Leasing (UK) Limited

Thank you for the opportunity to submit a proposal for a loan. The following information describes the loan purpose, the asset its secured against and how repayments will be made at what frequency. We have also included information from Ascend Worldwide, who are one of the premier valuers in our sector. along with a short video from ATR describing the fuel efficient nature of the ATR. 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 Air Tahiti and leased to SATENA which we will be reinvesting in our next transcation with SATENA. The original transactions was completed at the end of 2013 with funding from Major European Bank along with our own money.

We are releasing the equity in order to fund further transactions. The loan is secured against MSN 621 an ATR 42 500 aircraft via shares in the special purpose vehicle which owns the aircraft (a typical structure in the aircraft leasing business).

We are posting an initial £100,000 of this transaction and setting a rate of 10% on a fixed rate basis with capital repayment in six years.*

We may add more of this transaction at a later date as we assess the interest from lenders.

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 will be eligible for sale on the Secondary Market

Pheonix 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, 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.

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 and leasing companies. We decided 9 years ago to use our experience in the market to set up in Singapore and specialise in regional aircraft. We 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 Air Tahiti and contracted to lease the aircraft to SATENA the government owned airline of Colombia. The transaction completed at the end of 2013.

Loan

- Loan Required: £100,000
- Interest offered: 10% - 13%
- Term: 6 years
- Security: Underlying security is ATR 42 500 MSN 621
- Fully Insured with ownership company as beneficiary
- Serial Number: MSN 621

Description

SATENA is the government owned domestic airline of Colombia tasked with serving all districts and towns of Colombia and has been operational for over fifty years. Over the last 4 years they have been adding a fleet of ATR 42-500 aircraft and currently operate 9 of these aircraft including two leased from Phoenix Aircraft Leasing, the first was delivered in February 2012. Payment on this aircraft (and the history we have with MSN 621) has been first class.

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 effort basis, and should not be taken as guarantee by Ablrate.

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 and also has maintenance reserves paid by the lessor each month on top of the lease payments in order to ensure that the maintenance schedules are kept up to date. The professional valuations on the aircraft show excellent security through the term of the loan. The structure of the transaction is a typical aircraft structure and we have reviewed all of the paperwork involved including all mortgages lodged to secure the aircraft.

The bank involved is a major institution with over 15 million customers and 45,000 employees and they performed extensive due diligence on the transaction.

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 leased two aircraft to SATENA with a third scheduled for delivery in September 2014. The Lessor has been profitable from inception in 2005.

Lessee:

The lessee is a government owned airline and has been paying on time on previous leases. The lessor has several aircraft from other lessors and operators.

RATING: 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.

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4.0

Repayment Timeline

Drawdown / Immediately on auction completion

Auction Completion
Expected

Drawdown of the loan will be upon the closing of the auction 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.

1st August 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.

1st September 2014

Capital Repayment / 6 years from drawdown (eligible for Secondary Market)

Capital Repayment Date

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

1st August 2020

Bonus Elements

Expected Bonus
payment

There are no bonus elements to this loan.

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).

4.1

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 you cannot subsequently withdraw that bid.

Borrower: Phoenix Aircraft Leasing (UK) Ltd

Address: C/O Aviation & Tech Capital Ltd / 400 Thames Valley Park Drive / Reading / Berks

Project: ATR 42-500

Loan Number: #0714001

Identification of the Parties: This Agreement is made between Phoenix Aircraft Leasing (UK) Limited (the "Borrower") with a principal place of business c/o Aviation and Tech Capital, 400 Thames Valley Park Drive, Reading, Berks. and the Lending Member who has bid for loan units and is identified in the records of the Ablate Platform (the "Lending Member") with a principal place of business c/o Aviation and Tech Capital, 400 Thames Valley Park Drive, Reading, Berks.

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 10% 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 6 years 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 Members 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') 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 against the shares of "ATR 42-500 Cayman Limited" through Phoenix Aircraft Leasing (UK) Limited to which a lien has been applied by Ablrate Assets Limited in favour of the Lending Members involved in the syndication of this loan. "ATR 42 500 Cayman Limited" is a special purpose vehicle set up by Phoenix Aircraft Leasing and a major European Bank in order to purchase the aircraft "ATR 42-500 MSN 621" and lease on to SATENA Airlines. Further information on the aircraft can be sourced in the Ascend Valuation available on the loan explanation page.

11. Recourse

In the first instance recourse for the loan is Phoenix Aircraft Leasing (UK) Limited (PALUK) who are the borrowers of the funds in this transaction. Should PALUK default on the loan then Ablrate Assets Limited (AAL) will enforce the lien of all Lending Members against "ATR 42-500 Cayman Limited" 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. 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.