



# LOAN PROPOSAL

November 4th, 2014 | Prepared for Lending Members | Prepared by: Ablrate | Proposal number: 1114001

# TABLE OF CONTENTS

**SECTION 1.0 /**

**BORROWER** \_\_\_\_\_

**SECTION 2.0 /**

**LOAN OVERVIEW** \_\_\_\_\_

**SECTION 3.0 /**

**REPAYMENT TIME LINE** \_\_\_\_\_

**SECTION 4.0 /**

**SUPPLEMENTAL LOAN TERMS** \_\_\_\_\_

November 4th, 2014

**Phoenix International Aircraft Services Limited**



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

The following document describes the loan purpose, the asset it's secured against, how repayments will be made, at what frequency and the supplemental terms of the loan.

The purpose of the loan is to purchase a Cessna Caravan EX which we are leasing to Seacons Trading, a holding company for the Jhonlin Group subsidiaries in Indonesia. The operating company will be Jhonlin Air Transport. They are a member of the Jhonlin Group which has rubber plantations; Palm Oil Plantations; Coal Mines; Marine Services and an airline.

The airline is based in Halim, Jakarta and Kalimantan Indonesia although this aircraft will operate in the semi autonomous province of Papua which has few roads, high mountains and is very dependant on air transport for both passengers and cargo. This aircraft will be a vital lifeline for the people in that region.

The loan is secured via a registered mortgage over the entire ownership shares of Phoenix International Aircraft Services Limited which in turn is secured by a new Cessna Caravan (MSN to be advised) that is 100% owned by the company.

The aircraft is being purchased for \$2.5 million (£1.563 million at today's rates) and has a residual value estimate at \$2.15 million (£1.345 million at today's rates) although we expect this to be higher as this type is in demand. There is a \$500,000 deposit from Seacons Trading and they will be purchasing the aircraft at the end of the term.

The loan pays 12% fixed for 48 months and is underwritten and will close at the end of the auction period and we are seeking £1, 345,000

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 International Aircraft Services Limited

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

## Phoenix International Aircraft Services Ltd

### Who they are

Phoenix International Aircraft Services Ltd is a special purpose vehicle company of Phoenix Aircraft Leasing Pte Ltd ("PAL") ([www.phoenixaircraftleasing.com](http://www.phoenixaircraftleasing.com)) and is incorporated in the Cayman Islands. 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.

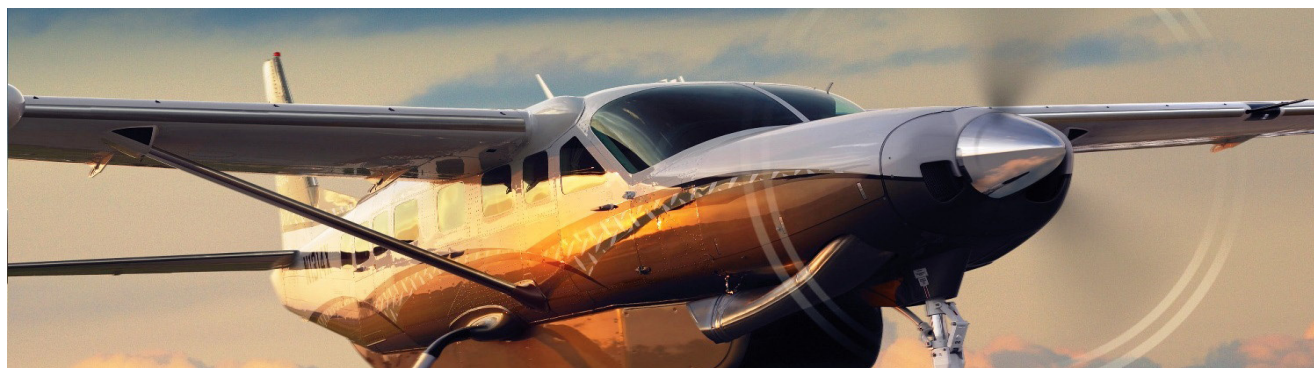
Since opening in Singapore nine years ago, Phoenix Aircraft Leasing has purchased, leased out and sold 40 commercial airline aircraft from companies as diverse as ATR, China Eastern Airlines; Lufthansa, Flightline; Cyprus Airways, Adria Airlines and Island Air, Hawaii. These aircraft have included the 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 are purchasing the aircraft new from the manufacturer and leasing it to Seacons Trading who will deploy the aircraft at Jhonlin Air Transport. The airline is based in Halim, Jakarta and Kalimantan Indonesia although this aircraft will operate in the semi autonomous province of Papua which has few roads, high mountains and is very dependant on air transport for both passengers and cargo. This aircraft will be a vital lifeline for the people in that region.

## Loan

- **Loan Required:** £1,345,000
- **Interest offered:** 12%
- **Term:** 48 Months
- **Security:** Underlying security is new Cessna Caravan EX
- **Insurance:** Fully Insured with ownership company as beneficiary
- **Serial Number:** (To be advised)

## Lessee Description

Seacons Trading Limited, of the British Virgin Islands, is the contracted lessee and who are the holding company for a number of subsidiaries of the Jhonlin Group. The operating company will be Jhonlin Air Transport. They are a member of the Jhonlin Group which has rubber plantations; Palm Oil Plantations; Coal Mines; Marine Services and an airline. The airline is based in Halim, Jakarta and Kalimantan Indonesia although this aircraft will operate in the semi autonomous province of Papua which has few roads, high mountains and is very dependant on air transport for both passengers and cargo. The airline has a fleet of one G550 executive jets; one ATR 42-600 (the first introduced in Indonesia), two Grand Caravans, a Hawker 4000 and a Super King Air. They are currently negotiating with Phoenix Aircraft Leasing for two more new ATR 42-600s (\$19.5 million each).

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.

**14th 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.

**14th December 2014**

## Capital Repayment / 48 months from drawdown (eligible for Secondary Market after 1 month)

Capital Repayment Date

This is an interest only loan with capital repayment being made on the 4th anniversary of the loan. The loan units purchased by Lending Members are also eligible to be offered in the Secondary Market of Ablate.

**15th December 2018**

## Bonus Elements

Expected Bonus  
payment

There is no bonus element to this transaction

**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).**

4.0

# 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 International Aircraft Services Limited

**Address:** C/O Aviation & Tech Capital Ltd / 3 More London Riverside, London, SE1 2RE

**Project:** Cessna Caravan EX (Loan Number: #1114001)

**Loan Amount:** 1,345,000

**Interest/Term:** Interest Only, Fixed 12%, 48 Months

**Identification of the Parties:** This Agreement is made between Phoenix International Aircraft Services Ltd (the "Borrower") whose registered office is 2F Landmark Square, 64 Earth Close, Seven Mile Beach, Grand Cayman KY1-1201, Cayman Islands and the Lending Member who has bid for loan units and is identified in the records of the Ablate 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 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 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 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 48 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 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**

The loan is secured via a registered mortgage over the entire ownership shares of Phoenix International Aircraft Services Limited which in turn is secured by a new Cessna Caravan EX (MSN to be advised) that is 100% owned by the company.

The aircraft is being purchased for \$2.5 million (£1.563 million at today's rates) and has a residual value estimate at \$2.1 million (£1.315 million at today's rates) although we expect this to be higher as this type is in demand. There is a \$500,000 deposit from Seacons Trading and they will be purchasing the aircraft at the end of the term.

## **11. Recourse**

In the first instance recourse for the loan is Phoenix International Aircraft Services Limited (PIAS) who are the borrowers of the funds in this transaction. Should PAIS default on the loan then Ablrate Assets Limited (AAL) will enforce the rights of all Lending Members against PIAS 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.