

MR01

Particulars of a charge



000707/13

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument. Use form MR08



A19

19/07/2013

#307

**This form must be delivered to the Registrar for registration within
21 days** beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery



You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record

1 Company details

Company number 0 3 3 9 6 0 2 3

Company name in full Leamington Hobby Centre Ltd

0005 For official use

Filing in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 1 7 0 7 2 0 1 3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Shawbrook Bank Ltd (com reg no 388466)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page
Please use a continuation page if you need to enter more details

Description

Bell 206B Jet Ranger 11
Serial No 464
reg No G-OAMI

Engine Allison 250-C20B
CAE 800891 BA

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

- ☒ **Yes**
☐ **No**

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

- ☐ **Yes** Continue
☒ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

- ☐ **Yes**

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

- ☒ **Yes**
☐ **No**

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Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Ann Darnie

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name **Aileen Marshall**

Company name **Shawbrook Asset Finance**

Address **8 Nelson Mandela Place**

Post town **Glasgow**

County/Region

Postcode **G 2 1 B T**

Country

DX

Telephone **Direct no 0141 354 4940**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3396023

Charge code: 0339 6023 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th July 2013 and created by LEAMINGTON HOBBY CENTRE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th July 2013

A handwritten signature, possibly 'P.', in black ink.

Given at Companies House, Cardiff on 22nd July 2013



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

17/7/13 ✓

LEAMINGTON HOBBY CENTRE LIMITED

and

SHAWBROOK BANK LIMITED

AIRCRAFT MORTGAGE

relating to
aircraft Bell 206B Jet Ranger 11
msn 464
Registration Mark G-OAMI

This is a TRUE &
complete copy of the
mortgage deed
Signed Ann Darnie
For and behalf of
Shawbrook Bank Ltd

DWF LLP
Scott Place
2 Hardman Street
Manchester
M3 3AA

DATED 17/7/13

275.

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~~Error! Bookmark not defined~~

Handwritten mark

Handwritten mark

THIS AIRCRAFT MORTGAGE is dated 17/1/13 and made between

- (1) **LEAMINGTON HOBBY CENTRE LIMITED** (Company No 03396023), whose registered office is at The Maybird Suite, Birmingham Road, Stratford-upon-Avon, CV37 0AZ whose address is Leasowes Farm, Oxhill, Warwickshire, CV35 0RL and whose fax number is 01926 642848 (the "Owner"), and
- (2) **SHAWBROOK BANK LIMITED** (Company No 388466) whose registered office is at Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood, Essex CM13 3BE and whose fax number is 0845 604 0971 (the "Mortgagee")

BACKGROUND

- (A) By a loan agreement (the "**Aircraft Loan Agreement**") made or to be made between (1) the Owner as borrower, and (2) the Mortgagee as lender, the Mortgagee has agreed to make available to the Owner a loan facility (the "**Loan Facility**") upon and subject to the terms of the Aircraft Loan Agreement
- (B) It is a condition precedent to the availability of the Loan Facility that the Owner shall have executed and delivered this Deed to the Mortgagee

IT IS AGREED as follows

1 DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In this Deed

"Aircraft"

means the Airframe together with the Engines (whether or not any of the Engines may from time to time be installed on the Airframe) and, where the context permits, references to the "Aircraft" shall include the Manuals and Technical Records and, unless otherwise provided in this Deed, shall mean the Aircraft as a whole or any part thereof,

"Airframe"

means the Bell 206B Jet Ranger 11 aircraft with manufacturer's serial number 464 and registration mark G-OAMI (excluding the Engines or engines from time to time installed thereon), and all Parts installed on or after the date of this Deed, or which having been removed therefrom are required by the terms of this Deed to remain the property of the Owner subject to this Deed, and all replacements, renewals and additions made to the foregoing in accordance with this Deed (but excluding those Parts temporarily installed),

"Airworthiness Directive"

means an airworthiness directive issued by EASA or the Aviation Authority or by the civil aviation authority in the state of incorporation of the relevant Airframe, Engine or Part manufacturer,

"Assigned Agreements"

means all contracts, agreements, policies and terms and conditions entered into by the Owner in connection with the Insurances, the Warranties and the Earnings,

"Aviation Authority"

means the Civil Aviation Authority and each person who shall from time to time be vested with the control and supervision of, or have jurisdiction over, the registration, airworthiness and operation of aircraft or other matters relating to civil aviation in the State of Registration,

"Business Day"

means a day other than a Saturday or Sunday when financial institutions in London are generally open for banking business,

"Compulsory Acquisition"

means requisition of title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation or confiscation for any reason of the Aircraft by any government entity or other competent authority, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition of title,

"Delegate"

means any delegate or sub-delegate appointed pursuant to clause 11 2,

"Earnings"

means any and all amounts whatsoever which may at any time be earned by or become payable to or for the account of the Owner arising out of the ownership, possession, use or operation of the Aircraft including all freight, hire and other amounts payable under any charter, contract of hire, pooling agreement or other contract relating to the Aircraft, all payments for any variation or termination of any such contract and all damages for any breach of any such contract,

"EASA"

means the European Aviation Safety Authority or any other authority or person which shall replace it from time to time,

"Engine"

means the Allinson 250-C20B engine(s) with manufacturer's serial number CAE 800891 BA installed on the Airframe at the date of this Deed or any other replacement engine substituted, in accordance with the terms of this Deed (other than as a temporary replacement for an engine which had immediately prior to such replacement been an Engine) together with, in each case, all Parts from time to time belonging to, installed in or appurtenant to the relevant engine,

"Event of Default"

means each of the events and circumstances specified as such in the Aircraft Loan Agreement and any breach by the Owner of its duties, obligations or liabilities under this Deed,

"Finance Documents"

means the Aircraft Loan Agreement, this Deed and any other document designated as such by the Owner and the Mortgagee,

"Insurances"

means all policies and contracts of insurance or such other insurance arrangements which are from time to

	time entered into in respect of the Aircraft pursuant to schedule 2, including all claims under the policies and contracts and return of premiums,
"Insurers"	means the underwriters, insurance companies, mutual insurance associations or other associations or companies with or by which the Insurances are effected,
"Loss"	means any loss, demand, liability, obligation, claim, action, proceeding, penalty, fine, damage, adverse judgement, order or other sanction, fee and out-of-pocket cost and expense (including any fee and out-of-pocket cost and expense of any legal counsel),
"Maintenance Performer"	means, in relation to the Airframe, any Engine or any Part, the independent maintenance performer that may be approved by the Mortgagee from time to time to perform all major maintenance work on the Airframe, the relevant Engine or the relevant Part,
"Maintenance Programme"	means, in relation to the Airframe, any Engine or any Part, the maintenance programme that may be approved by the Mortgagee from time to time,
"Manuals and Technical Records"	means all records, logs, manuals, technical data and other materials and documents (whether kept or to be kept in compliance with any regulation of the Aviation Authority or otherwise and including any data maintained in a computer or on computer files) relating to the Aircraft,
"Part"	means all appliances, parts, accessories, instruments, navigational and communications equipment, furnishings, modules, components and other items of equipment (other than complete Engines or engines),
"Receiver"	means any receiver, manager or other receiver or similar officer appointed by the Mortgagee in respect of the Secured Property and shall, if allowed by law, include an administrative receiver,
"Requisition Compensation"	means all moneys or other compensation from time to time payable in respect of the Compulsory Acquisition of the Aircraft,
"Secured Obligations"	means all or any monies and liabilities which will from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Mortgagee by the Owner, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not the Mortgagee may have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which the Mortgagee may in the course of its business charge or incur in respect of any of those matters or for keeping the Owner's account, and so

that interest shall be computed and compounded according to the usual rates and practice of the Mortgagee as well after as before any demand made or decree obtained under or in relation to this Deed,

"Secured Property"

means

- (a) the Aircraft, and
- (b) all of the Owner's right, title interest and benefit in and to
 - (i) the Earnings,
 - (ii) the Insurances,
 - (iii) the Requisition Compensation, and
 - (iv) the Warranties,

"Security Interest"

means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement having similar effect,

"Security Period"

means the period beginning on the date of this Deed and ending on the day on which all of the Secured Obligations have been unconditionally and irrevocably paid and discharged in full,

"State of Registration"

means the United Kingdom or any other state or territory on whose national aircraft register the Aircraft is registered from time to time,

"Taxes"

includes all present and future taxes, levies, imposts, duties, fees or charges of whatever nature, including, without limitation, any value added, goods and services or similar tax, together with interest thereon and penalties in respect thereof and "**Taxation**" shall be construed accordingly,

"Total Loss"

means any of the following events

- (a) the actual or constructive total loss of the Aircraft (including any damage to the Aircraft which results in an insurance settlement on the basis of a total loss, or requisition for use or hire of the Aircraft which results in an insurance settlement on the basis of a total loss),
- (b) the Aircraft being destroyed, damaged beyond repair, or otherwise ceasing to be usable by the Owner for a period exceeding 60 days,
- (c) the Compulsory Acquisition of the Aircraft, or
- (d) the hijacking, theft, confiscation, capture, detention, seizure or requisition for use or

hire of the Aircraft (other than where the same amounts to a Compulsory Acquisition), excluding requisition for use or hire by any government entity of the State of Registration or, if different, the United Kingdom, and

"Warranties"

means

- (a) all warranties in respect of the Airframe, any Engine or any Part by any manufacturer, supplier, dealer, or seller thereof including any warranty as to title and all post-delivery rights relating thereto, and
- (b) all right and benefit under any agreement for the sale, repair, servicing, overhaul or testing of the Airframe, any Engine or any Part including the benefit of all warranties and indemnities relating thereto

12 Construction

In this Deed

- (a) any reference to
 - (i) "assets" includes present and future properties, revenues and rights of every description,
 - (ii) a Finance Document or any other agreement or instrument is a reference to that Finance Document or that other agreement or instrument as amended or novated,
 - (iii) "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,
 - (iv) a "person" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing,
 - (v) the Owner or the Mortgagee shall, where the context permits, include such person's successors and permitted assigns and any persons deriving title under such person,
 - (vi) the Secured Property is a reference to the whole of the Secured Property and each part thereof,
 - (vii) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation,
 - (viii) a provision of law is a reference to that provision as amended or re-enacted, and

- (ix) a clause or schedule is a reference to a clause of or schedule to this Deed,
- (b) words importing the plural include the singular (and vice versa),
- (c) the *ejusdem generis* rule shall not apply and accordingly the interpretation of general words shall not be restricted by being preceded by words including a particular class of acts, matters or things or by being followed by particular examples, and
- (d) section, clause and schedule headings are for ease of reference only

2 MORTGAGE AND ASSIGNMENT

2 1 Covenant to Pay

The Owner shall discharge the Secured Obligations when due in accordance with their terms or, if they do not specify a time for payment, immediately on demand by the Mortgagee

2 2 Mortgage of Aircraft

In consideration of the Mortgagee agreeing to make the Loan Facility available to the Owner upon the terms and conditions of the Aircraft Loan Agreement and as a continuing security for the due and punctual payment, performance and discharge of the Secured Obligations, the Owner, with full title guarantee, hereby mortgages by way of first priority mortgage and charges by way of first fixed charge all of its right, title, interest and benefit in and to the Aircraft and accordingly

- (a) all engines and Parts from time to time installed on the Airframe or any Engine shall be subject to this Deed,
- (b) any Engine or Part removed from the Airframe or any Engine shall remain subject to this Deed until such time as a replacement or substitute therefor shall have been installed on the Airframe or the relevant Engine and become subject to this Deed, and
- (c) upon installation, any replacement or substitute engine or Part shall thereupon without further act become subject to this Deed for all purposes as though it had been originally installed in or attached to the Airframe or relevant Engine and, subject thereto, the Engine or Part replaced or substituted shall be released from the mortgage and charge created by this Deed

2 3 Assignment

In consideration of the Mortgagee agreeing to make the Loan Facility available to the Owner upon the terms and conditions of the Aircraft Loan Agreement and as a continuing security for the due and punctual payment, performance and discharge of the Secured Obligations, the Owner, with full title guarantee, hereby assigns and agrees to assign absolutely to the Mortgagee all of its right, title, interest and benefit in and to

- (a) the Earnings,
- (b) the Insurances,
- (c) the Requisition Compensation, and
- (d) the Warranties

2 4 Notice of Assignment

The Owner shall

- (a) forthwith upon execution of this Deed give notice to each other party to the Assigned Agreements in the form set out in schedules 3 and 4 (as applicable) and shall, as soon as possible, procure that such notice is duly acknowledged by each other party to the relevant Assigned Agreement and further procure that such acknowledgement is received by the Mortgagee,
- (b) forthwith on any Compulsory Acquisition, notify the relevant authority in writing of the assignment to the Mortgagee of the Owner's right, title, interest and benefit in and to the Requisition Compensation, and
- (c) if required by the Mortgagee, deliver a notice of assignment in a form acceptable to the Mortgagee to any other party to any of the Assigned Agreements and procure that such notice is duly acknowledged by each such other party to the relevant Assigned Agreement and further procure that such acknowledgement is received by the Mortgagee

2 5 Performance and Indemnity

Notwithstanding the foregoing, the Owner shall remain liable to perform all the obligations to be performed by it in respect of the Secured Property (including, under the Assigned Agreements) and shall discharge fully its obligations thereunder as they become due and the Mortgagee shall not have any obligation of any kind whatsoever thereunder or be under any liability whatsoever in the event of any failure by the Owner to perform its obligations thereunder and the Owner hereby indemnifies and agrees to keep indemnified the Mortgagee from and against any such liability

2 6 Release and Transfer

- (a) At the expiry of the Security Period, the Mortgagee shall, at the cost of the Owner, release and transfer to the Owner, the Secured Property
- (b) Notwithstanding any discharge, release or settlement from time to time between the Mortgagee and the Owner, if any security, disposition or payment granted or made to the Mortgagee in respect of the Secured Obligations by the Owner or any other person is avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any law or regulation relating to administration, bankruptcy, insolvency, liquidation, winding-up, composition or arrangement or for any other reason, the Mortgagee shall be entitled thereafter to enforce this Deed as if no such discharge, release or settlement had occurred

3 CONTINUING AND INDEPENDENT SECURITY

3 1 Continuing Security

This Deed and the security hereby created shall remain in full force and effect by way of continuing security and in particular shall not be, nor be considered as, satisfied by any intermediate discharge or payment on account of any liabilities or any settlement of accounts between the Owner and the Mortgagee

3 2 Independent Security

This Deed and the security hereby created shall be in addition to and not in substitution for or derogation of any other security (whether given by the Owner or otherwise) now or from time to time held by the Mortgagee in respect of or in connection with the Secured Obligations

3 3 Unrestricted Enforcement

The Mortgagee need not before exercising any of the rights, powers or remedies conferred upon it by this Deed or by law

- (a) take action or obtain judgment against the Owner, or any other person in any court,
- (b) make or file any claim or prove in a bankruptcy, winding-up, administration or liquidation of the Owner or of any other person, or
- (c) *enforce or seek to enforce the recovery of the moneys and liabilities hereby secured by any other security*

4 **REPRESENTATIONS AND WARRANTIES**

4.1 **Representations and Warranties**

The Owner represents and warrants to the Mortgagee that

- (a) **Status** where the Owner is a company or limited liability partnership, it is duly incorporated and validly existing and has full power, authority and legal right to own its property and assets and to carry on its business as such business is now being conducted,
- (b) **Power and Authority** the Owner has all legal power and authority to enter into this Deed and perform its obligations under this Deed and all action (including any corporate and regulatory action) required to authorise the execution and delivery of this Deed and the performance of its obligations under this Deed has been duly taken,
- (c) **Legal Validity** this Deed constitutes the legal, valid and binding obligations of the Owner enforceable in accordance with its terms,
- (d) **Non-conflict with laws** the entry into and performance of this Deed and the transactions contemplated by this Deed do not and will not conflict with or result in a breach of (i) any law, judgment or regulation or any official or judicial order, or (ii) where the Owner is a company or limited liability partnership, the constitutional documents of the Owner, or (iii) any agreement or document to which the Owner is a party or which is binding upon it or any of its assets or revenues, nor cause any limitation placed on it (or, where the Owner is a company or limited liability partnership, the powers of its members, partners, directors or other officers) to be exceeded or result in the creation or imposition of any Security Interest on any part of the Secured Property pursuant to the provisions of any such agreement or document,
- (e) **No consents** no consent of, giving of notice to, or registration with, or taking of any other action in respect of, any governmental authority or agency in any relevant jurisdiction or any shareholders, members, partners or creditors of the Owner is required for or in connection with the execution, validity, delivery and admissibility in evidence in any proceedings of this Deed, or the carrying out by the Owner of any of the transactions contemplated hereby,
- (f) **Litigation** no litigation, arbitration or administrative proceeding is currently taking place or pending or, to the knowledge of the Owner, threatened against the Owner or its assets which would adversely affect its ability to perform its obligations under the Finance Documents,
- (g) **Winding Up:** no corporate action, legal proceeding or other procedure or step has been or is about to be taken in relation to
 - (i) a suspension of payments, moratorium of any indebtedness, winding-up, dissolution, administration, bankruptcy, individual voluntary arrangement or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Owner,

- (ii) a composition, compromise, assignment or arrangement with any creditor or any shareholder, member, partner, director or other officer of the Owner,
- (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, trustee in bankruptcy, insolvency practitioner or other similar officer in respect of the Owner or any of its assets, or
- (iv) the enforcement of any Security Interest over any assets of the Owner,
- (h) **Pari Passu Ranking** the obligations of the Owner under this Deed rank at least pari passu with all its other present and future unsecured obligations save for any obligations mandatorily preferred by law and not by contract,
- (i) **No Default** no Event of Default has occurred,
- (j) **Sole and beneficial owner** the Owner is and (subject to this Deed) will remain the sole, absolute legal and beneficial owner of the Secured Property,
- (k) **Security Interest** no Security Interest exists with respect to any of the right, title, interest or benefit of the Owner in or to the Secured Property (other than as created by this Deed), and
- (l) **Third party right** it has not granted in favour of any other person any interest in or any option or other rights with respect to the Secured Property

4.2 Continuing Representation and Warranty

The Owner also represents and warrants to and undertakes with the Mortgagee that the representations and warranties in clause 4.1 will be true and accurate throughout the Security Period with reference to the facts and circumstances from time to time then existing

5 TAXES AND OTHER DEDUCTIONS

5.1 No Withholding

All payments to be made by the Owner or any other person under this Deed shall be made in full in immediately available funds without any set-off or consideration whatsoever, free and clear of any Taxes, deductions or withholdings save as required by law

5.2 Gross-up

If at any time the Owner is required to make any deduction or withholding in respect of Taxes or otherwise from any payment due under this Deed for the account of the Mortgagee, the sum due from the Owner in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Mortgagee receives on the due date for such payment (and retains, free from and clear of any Taxes or otherwise) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and the Owner shall indemnify the Mortgagee against any Loss incurred by it by reason of any failure of the Owner to make any such deduction or withholding or by reason of any increased payment not being made on the due date therefor

6 POSSESSION AND SUB-LEASING

The Owner shall not lease or otherwise part with possession of the Aircraft without the prior written consent of the Mortgagee, which consent the Mortgagee may grant or withhold in its absolute discretion except that the Owner may

- (a) wet lease or charter the Aircraft for a period of not more than 14 days on terms under which possession and operational control of the Aircraft will remain with the Owner,

[Handwritten signature]

ensuring that the requirements of the schedules 1 and 2 are fully complied with at all times, and

- (b) deliver possession of the Aircraft, Airframe, any Engine or any Part to the relevant Maintenance Performer or to any other suitably qualified maintenance contractor approved by the Mortgagee for the purpose of performing maintenance or other work required or permitted by this Deed

7 COSTS, CHARGES AND EXPENSES

The Owner shall from time to time on demand pay to or reimburse the Mortgagee for any Loss suffered or incurred by the Mortgagee in connection with

- (a) the preparation, execution and registration of this Deed and any other documents required in connection herewith,
- (b) the exercise of any of its powers under this Deed, in suing for or seeking to recover any sums due under this Deed or otherwise preserving or enforcing its rights under this Deed,
- (c) the preservation or attempted preservation of the Secured Property,
- (d) the defence of any claim brought against the Mortgagee in respect of this Deed, or
- (e) releasing or re-assigning this Deed upon the expiry of the Security Period

and, until payment of the same in full, any such Loss shall be secured by this Deed

8 UNDERTAKINGS

The Owner hereby undertakes and agrees with the Mortgagee throughout the Security Period that it will

- (a) **No Security Interest:** not create or attempt or agree to create or permit or suffer to exist any Security Interest over the Secured Property,
- (b) **Third party right:** not grant in favour of any other person any interest in or any option or other right in respect of the Secured Property,
- (c) **Ownership of Aircraft:** at all times remain the sole, absolute legal and beneficial owner of the Aircraft,
- (d) **No Disposal** not sell or agree to sell, transfer or assign, the Secured Property or deal with or otherwise dispose of the Aircraft,
- (e) **Copies of Notices:** give to the Mortgagee upon receipt copies of all notices, requests and other documents sent or received with respect to the Secured Property or in connection with any notice affecting the Aircraft,
- (f) **Information:** give to the Mortgagee such information regarding the Secured Property as the Mortgagee may require,
- (g) **Enforcement.** do or permit to be done every act or thing which the Mortgagee may from time to time require for the purpose of enforcing the rights of the Mortgagee under this Deed and will allow its name to be used as and when required for that purpose,
- (h) **No Depreciation to Security.** not do or cause, permit or suffer to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the

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Mortgagee's security under this Deed including ensuring that the Aircraft is not seized by way of distress or taken under execution and shall promptly provide to the Mortgagee the original of any order, notice or other matter served upon the Owner by any third party which may adversely affect the Secured Property and shall promptly comply with, object to or make representations in respect of any such order, notice or other matter as the Mortgagee may require,

- (i) **Outgoings:** pay all rent, charges, Taxes, fees, duties and outgoings of whatsoever nature in respect of the Secured Property and in default thereof the Mortgagee may pay or discharge (without obligation) any such sums which may become due or payable in respect of the Secured Property and the Owner shall promptly indemnify the Mortgagee in relation thereto,
- (j) **Compliance with law** not permit the Aircraft to be used in contravention of any applicable law or Airworthiness Directive and shall comply with the requirements of any applicable law or Airworthiness Directive relating to or affecting the Aircraft or the user, operator or owner thereof,
- (k) **Registration:** procure that (i) the Aircraft is registered with the United Kingdom Civil Aviation Authority in the Owner's name as owner in accordance with all applicable laws and regulations, and (ii) this Mortgage is registered on the appropriate register for aircraft mortgages maintained by the United Kingdom Civil Aviation Authority and the Owner shall not take or permit any action which could prejudice such registration,
- (l) **Airworthiness:** procure that the Aircraft (i) possesses a valid certificate of airworthiness to EASA standard issued by the Aviation Authority, (ii) possesses a valid annual release to service issued by the Maintenance Performer, and (iii) is operated in accordance with all applicable laws and in a manner which does not invalidate the Insurances or prejudice the rights of the Mortgagee in respect of the Secured Property,
- (m) **Deregistration:** not, and shall not attempt or join in any steps to, deregister the Aircraft from the register of aircraft maintained by the Aviation Authority without the prior written consent of the Mortgagee and shall execute and deliver to the Mortgagee a deregistration power of attorney in relation to Aircraft in the form of schedule 6,
- (n) **Notice of Event of Default or Total Loss** promptly give written notice to the Mortgagee of the occurrence of any Event of Default or Total Loss,
- (o) **Operation and Maintenance:** comply with each of the operational and maintenance covenants set out in schedule 1,
- (p) **Insurances:** ensure that the Aircraft is insured in accordance with the requirements of schedule 2,
- (q) **Habitual Base.** ensure that the habitual base for the Aircraft is, to the extent permitted, Wellesbourne or such other location to which the Owner has notified the Lender and which the Lender (in its sole and absolute discretion) has consented in writing,
- (r) **Assigned Agreements:** with respect to Assigned Agreements
 - (i) **No Amendment:** following the occurrence of an Event of Default, not amend or vary or agree to amend or vary any Assigned Agreement, waive any of its rights under any Assigned Agreement, release any party from any of its obligations under any Assigned Agreement or consent to any act or omission which would otherwise constitute a breach of any Assigned Agreement,

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- (ii) **Performance**· punctually pay and perform all of its duties, obligations and liabilities under the Assigned Agreements and shall not transfer any of its duties, obligations or liabilities thereunder,
- (iii) **Assigned Payments**· following the occurrence of an Event of Default, direct any debtor in respect of any Assigned Agreement to pay all monies arising from or in connection with such Assigned Agreement to such account or accounts as the Mortgagee may from time to time direct, subject to any instructions or agreement to the contrary in any of the notices and acknowledgements to be issued pursuant to this Deed,
- (iv) **Assigned Rights**. following the occurrence of an Event of Default, will not exercise any right, discretion or power conferred on it by the Assigned Agreement unless and until requested in writing to do so by the Mortgagee whereupon the Owner agrees that it will do so, and
- (v) **Notification of Breach**: notify the Mortgagee of any breach by any other party to any Assigned Agreement,
- (s) **Eurocontrol**· on a six-monthly basis from the date of this Deed provide a Statement of Account in relation to navigation charges from Eurocontrol to the Mortgagee. If, such statement shows outstanding charges, the Owner shall settle such charges in full within 5 Business Days, and
- (t) **EU Emission Trading Scheme** If the provisions of the EU ETS are applicable to the Aircraft, the Owner shall
 - (i) identify itself as the operator to the UK Environment Agency,
 - (ii) discharge any penalties incurred for non-compliance and remedy any failures to comply with the scheme within 5 Business Days,
 - (iii) on a six-monthly basis from the date of this Deed provide a statement of the Owner'
 - (iv) at the Mortgagee's request, provide a letter of authorisation allowing the Mortgagee access to EU-ETS records in relation to the Owner in the form prescribed by EU-ETS

9 **ENFORCEMENT**

9.1 **Events of Default**

The security created by this Deed shall become enforceable, and the powers conferred by Section 101 of the Law of Property Act 1925 as varied and extended by this Deed shall be exercisable, immediately upon the occurrence of an Event of Default and at any time thereafter, the Mortgagee or its nominee shall be entitled, without prior notice and whether or not it shall have appointed a Receiver, to exercise the power to sell or otherwise dispose of the Secured Property

9.2 **Power of Sale**

The statutory power of sale, of appointing a Receiver and the other statutory powers conferred on mortgagees by Section 101 of the Law of Property Act 1925 as varied and extended by this Deed shall arise on the date of this Deed

10 **APPOINTMENT AND POWERS OF RECEIVER**

10 1 Appointment of Receiver

At any time after the security created by this Deed has become enforceable, or if requested by the Owner, without any notice or further notice, the Mortgagee may at any time, by deed, or otherwise in writing signed by any officer or manager of the Mortgagee or any person authorised for this purpose by the Mortgagee, appoint one or more persons to be a Receiver. The Mortgagee may similarly remove any Receiver and appoint any person instead of any Receiver. If the Mortgagee appoints more than one person as Receiver, the Mortgagee may give those persons power to act either jointly or severally.

10 2 Scope of Appointment

Any Receiver may be appointed Receiver of all of the Secured Property or Receiver of a part of the Secured Property specified in the appointment. In the latter case, the rights conferred on a Receiver as set out in clause 10 3 shall have effect as though every reference in clause 10 3 to the Secured Property was a reference to the part of the Secured Property so specified or any part of the Secured Property.

10 3 Rights of Receivers

Any Receiver appointed pursuant to this Deed shall have the rights, powers, privileges and immunities conferred by the Insolvency Act 1986 on administrative or other receivers duly appointed under the Insolvency Act 1986, and shall also have the right, either in his own name or in the name of the Owner or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person

- (a) **Enter Into Possession:** to take possession of the Aircraft, and for this purpose to enter upon any premises where the Aircraft or any part thereof may be located,
- (b) **Insurance:** to require that all policies, contracts and other records relating to the Insurances (including details of, and correspondence concerning, outstanding claims) be delivered forthwith to such brokers as the Mortgagee may nominate and to insure the Aircraft against loss and damage and in respect of third party passenger and property damage liability on such terms and with such persons as it thinks fit,
- (c) **Insurance Claims:** to collect, recover, compromise and give a good discharge for all claims then outstanding or thereafter arising under the Insurances or any of them and to take over or institute (if necessary using the name of the Owner) all such proceedings in connection therewith and to permit the brokers through whom collection or recovery is effected to charge the usual brokerage therefor,
- (d) **Claims:** to settle, discharge, compound, release or compromise any claims whatsoever in connection with the Secured Property or in any way relating to the security created by this Deed,
- (e) **Legal Actions:** to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the Secured Property,
- (f) **Repairs and Maintenance:** to repair and keep in repair the Aircraft, to carry out such maintenance work and modifications required so that the Aircraft complies with the provisions of this Deed, and generally maintain, preserve and protect the Aircraft and keep the same free from any Security Interest,
- (g) **Deal with Secured Property:** to sell, transfer, assign, exchange, hire out, lease, charter, lend, place in safekeeping or otherwise dispose of or realise the Secured Property to any person (including any person connected with the Owner or the Mortgagee) either by public offer or auction, tender or private contract and for a

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consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred),

- (h) **Rights of Ownership:** to manage and use the Secured Property and to exercise and do (or permit the Mortgagee or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the absolute beneficial owner of the Secured Property,
- (i) **Redemption of Security:** to redeem any Security (whether or not having priority to the security created by this Deed) over the Secured Property and to settle the accounts of any person with an interest in the Secured Property,
- (j) **Insolvency Act:** to exercise all powers set out in Schedule 1 or Schedule B1 to the Insolvency Act 1986 as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule B1 after the date of this Deed, and
- (k) **Other Powers.** to do anything else he may think fit for the realisation of the Secured Property or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document, the Law of Property Act 1925 or the Insolvency Act 1986

10.4 Agent of Owner

Any Receiver shall be the agent of the Owner for all purposes. The Owner alone shall be responsible for the Receiver's contracts, engagements, acts, omissions, defaults and Losses suffered, incurred or paid by the Receiver.

10.5 Remuneration of Receiver

The Mortgagee may determine the remuneration of any Receiver and direct payment of that remuneration out of moneys he receives as Receiver. The Owner alone shall be liable for the remuneration and all other costs, charges and expenses of the Receiver.

11 MORTGAGEE'S RIGHTS

11.1 Same Rights as Receiver

Any rights conferred by this Deed upon a Receiver may be exercised by the Mortgagee after the security constituted by this Deed becomes enforceable, whether or not the Mortgagee shall have taken possession or appointed a Receiver of the Secured Property.

11.2 Delegates

The Mortgagee may delegate in any manner to any person any rights exercisable by the Mortgagee under this Deed. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Mortgagee thinks fit.

12 APPLICATION OF PROCEEDS

All monies received by the Mortgagee or any Receiver or Delegate under this Deed shall be applied in or towards satisfaction of the Secured Obligations in such order of priority as the Mortgagee in its absolute discretion may determine (subject to the prior discharge of all liabilities having priority thereto by law) and, subject to any such determination, in the following order of priority:

- (a) in payment of any Loss suffered, incurred or paid by the Mortgagee, any Receiver or any Delegate in connection with the exercise of any power under this Deed, the preserving or attempting to preserve this security or the Secured Property and of all outgoings paid by the Mortgagee, any Receiver or any Delegate,
- (b) in payment to any Receiver of all remuneration as may be agreed between such Receiver and the Mortgagee should be paid to such Receiver in connection with its appointment as such, and
- (c) in or towards reduction of the remaining Secured Obligations in such manner as the Mortgagee shall determine

13 LIABILITY OF MORTGAGEE, RECEIVERS AND DELEGATES

13 1 Possession

If the Mortgagee or any Receiver or Delegate takes possession of the Secured Property, it or he may at any time relinquish possession. Without prejudice to clause 13 2, the Mortgagee shall not be liable as a mortgagee in possession by reason of viewing or repairing the Secured Property

13 2 Mortgagee's Liability

Neither the Mortgagee nor any Receiver or Delegate shall (either by reason of taking possession of the Secured Property or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Owner or any other person for any Losses relating to the realisation of the Secured Property or from any act, default, omission, or misconduct of the Mortgagee, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Secured Property or in connection with the Finance Documents

14 PROTECTION OF THIRD PARTIES

14 1 No Duty to Enquire

No person dealing with the Mortgagee or any Receiver or Delegate shall be concerned to enquire

- (a) whether the rights conferred by any Finance Document are exercisable,
- (b) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with,
- (c) otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights, or
- (d) as to the application of any money borrowed or raised

14 2 Protection to Purchasers

All the protection to purchasers contained in Sections 104 and 107 of the Law of Property Act 1925, Section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Mortgagee, any Receiver or any Delegate

15 INDEMNITY

15 1 General Indemnity

The Owner shall indemnify and keep indemnified the Mortgagee from and against all Losses which the Mortgagee may suffer, incur or pay in connection with

- (a) the exercise of any powers conferred by this Deed,
- (b) the perfection, preservation or enforcement of the security created by this Deed,
- (c) the non-performance or non-observance of any of the undertakings and agreements on the part of the Owner contained in this Deed,
- (d) the manufacture, description, fitness for purpose, merchantability, suitability, quality, state, appearance, safety, durability, value, design, testing, delivery, import, export, registration, ownership, possession, control, use, operation, leasing, sub-leasing, insurance, maintenance, repair, refurbishment, service, overhaul, modification, change, alteration, loss, damage, storage, removal, re-delivery or otherwise of the Aircraft, and
- (e) of any matter or thing done or omitted to be done relating in any way whatsoever to the Secured Property

15.2 **Currency Indemnity**

If an amount due to the Mortgagee from the Owner in one currency (the "**first currency**") is received by the Mortgagee in another currency (the "**second currency**"), the Owner's obligations to the Mortgagee in respect of such amount shall only be discharged to the extent that the Mortgagee may purchase the first currency with the second currency in accordance with its normal banking practice. If the amount of the first currency which may be so purchased (after deducting any costs of exchange and any other related costs) is less than the amount so due, the Owner shall indemnify the Mortgagee against the shortfall.

15.3 **Payment and Security**

The Mortgagee may retain and pay out of any money in the hands of the Mortgagee all sums necessary to effect the indemnities contained in this clause 15 and all sums payable by the Owner under this clause 15 shall form part of the monies hereby secured.

16 **SUSPENSE ACCOUNT**

The Mortgagee may place and keep any monies received under this Deed, before or after the insolvency of the Owner to the credit of a suspense account in order to preserve the rights of the Mortgagee to sue or prove for the whole amount in respect of claims against the Owner or any other person.

17 **SET-OFF**

The Mortgagee may at any time without notice, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any obligation it owes to the Owner in whatever currency and set-off any sum in respect of such obligation in or towards satisfaction of the Secured Obligations.

18 **POWER OF ATTORNEY**

The Owner, by way of security, irrevocably appoints the Mortgagee and any persons deriving title under it jointly and severally to be its attorney (with full power of substitution) and in its name or otherwise on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required or which the Mortgagee shall think proper or expedient for carrying out any obligations imposed on the Owner under this Deed or for exercise any of the powers conferred by this Deed or for giving to the

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Mortgagee the full benefit of this security and so that this appointment shall operate to authorise the Mortgagee to do on behalf of the Owner anything it can lawfully do by an attorney. The Owner ratifies and confirms and agrees to ratify and confirm any deed, instrument, act or thing which such attorney or substitute may execute or do.

19 **FURTHER ASSURANCES**

- 19.1 The Owner agrees that at any time and from time to time upon the written request of the Mortgagee it will promptly and duly execute and deliver any and all such further instruments and documents as the Mortgagee may deem desirable for the purpose of obtaining the full benefit of this Deed and of the rights and powers granted in this Deed.
- 19.2 The obligations of the Owner under this clause 19 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Deed by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

20. **CAPE TOWN CONVENTION**

If the provisions of the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment which were adopted on 16 November 2001 at a diplomatic conference held in Cape Town, South Africa (as may be amended from time to time and as together hereinafter referred to as "**the Cape Town Convention**") are effective, or given effect at any time during the Security Period, in the State of Registration of the Aircraft or the state in which the Owner is situated or incorporated or has its registered office or centre of administration, then the Owner shall

- (a) at the Mortgagee's request perform such acts and execute and deliver such agreements and instruments (including but not limited to any subordination and an irrevocable deregistration and export authorisation complying with the requirements of the Cape Town Convention), including entering into any amendments to this Deed, as may be determined by the Mortgagee to be necessary or desirable to (a) protect enhance or perfect the Mortgagee's interest in the Aircraft, each of its Engines, and this Deed under the Cape Town Convention and (b) allow the Mortgagee to enforce any agreements between the parties hereto under the Cape Town Convention,
- (b) provide all assistance and cooperation to the Mortgagee as may be necessary to enable the Mortgagee to procure the filing with, and/or registration in the international register(s) maintained by, the international registry of the Cape Town Convention of any agreement between the parties hereto, including this Deed, including making any filing or registration through the 'designated entry point' (as defined in the Cape Town Convention) in the state of registration of the Aircraft,
- (c) not permit without the prior written consent of the Mortgagee, any person, other than the Mortgagee, to make any international registry filings (including prospective filings) under the Cape Town Convention in relation to the Aircraft and each of its engines and any agreement between the parties hereto, including this Deed,
- (d) exclude in writing the application of any provision of the Cape Town Convention that the Mortgagee may deem desirable in connection with the foregoing (if permitted by any applicable law),
- (e) agree that any right of quiet enjoyment under the terms of the Cape Town Convention is excluded, and
- (f) be responsible for all costs and expenses associated with the requirements of this clause 20.

21 **MISCELLANEOUS**

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21 1 Waivers

Time shall be of the essence under this Deed but no failure or delay on the part of the Mortgagee to exercise any power, right or remedy under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise by the Mortgagee of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy

21 2 Remedies

The remedies provided in this Deed are cumulative and are not exclusive of any remedies provided by law

21 3 Amendment

Any amendment or waiver of any provision of this Deed and any waiver of any default under this Deed shall only be effective if made in writing and signed by the Mortgagee

21 4 Statement of Account

Any statement of account signed as correct by the Mortgagee showing any amount due under any Finance Document shall, in the absence of manifest error, be conclusive evidence of the amount so due

21 5 Severability

If any provision of this Deed is prohibited or unenforceable in any jurisdiction such prohibition or unenforceability shall not invalidate the remaining provisions hereof or affect the validity or enforceability of such provision in any other jurisdiction

21 6 Assignment

The Mortgagee may assign and/or transfer any or all of its rights and obligations under this Deed The Owner shall not assign or transfer any of its rights or obligations under this Deed

21 7 Successors and Assigns

This Deed shall bind and shall inure for the benefit of each of the parties hereto and each of their respective successors and permitted assigns

21 8 Third Party Rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed

21 9 Consolidation

Section 93 of the Law of Property Act 1925 shall not apply to this Deed

21 10 Counterparts

This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Deed by signing any such counterpart

22 NOTICES

22 1 Any communication to be made under or in connection with this Deed shall be in the English language and be made in writing and may be made by letter or fax

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22 2 The respective addresses and fax numbers of the Owner and the Mortgagee for any communication or document to be made or delivered under or in connection with this Deed shall be as set out at the top of page 1 of this Deed or any substitute address or fax number as one party may notify to the other by not less than five Business Days' notice

21 3 Subject to clause 21 4, any communication made or document made or delivered by one person to another under or in connection with this Deed will only be effective

(a) if by way of fax, when received in legible form, or

(b) if by way of letter, when it has been delivered to the relevant address or three Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address

21 4 Any communication or document to be made or delivered to the Mortgagee will be effective only when actually received by the Mortgagee

23 **GOVERNING LAW AND JURISDICTION**

23 1 This Deed is governed by English law

23 2 The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed)

This Deed has been entered into as a deed on the date stated at the beginning of this Deed.

SCHEDULE 1

Operational and Maintenance Covenants

1 The Owner shall

- (a) use, maintain and repair the Aircraft, the Engines and all Parts in accordance with (i) the Maintenance Programme, (ii) all mandatory rules and regulations of the Aviation Authority to the standard required by the Aviation Authority and (iii) any other regulations or requirements necessary in order to enable the Aircraft at any time to obtain a Certificate of Airworthiness to EASA standard issued by the Aviation Authority plus a valid annual release to service stamp issued by the Maintenance Performer,
- (b) maintain or cause to be maintained (in writing and in English) all logbooks, maintenance records, record books and other documents as are required by the Aviation Authority or the Maintenance Programme to be maintained with respect to the Aircraft,
- (c) permit the Mortgagee and its authorised representatives to inspect the Aircraft all log books, records, record books and other documents referred to in paragraph 1(b) above at any time upon giving notice and for that purpose grant or procure access for the Mortgagee and its authorised representatives to any land or buildings on or in which the Aircraft may be stored provided that any such inspection shall not (unless an Event or Default has occurred) disturb the normal commercial operation or maintenance of the Aircraft,
- (d) promptly pay and discharge as they fall due all costs and expenses of operating, storing and maintaining the Aircraft and performing its obligations under the documents in relation to the Aircraft (including all charges of airport authorities (whether relating to landing fees, parking fees, handling charges or otherwise), all charges imposed by air navigation authorities (including Eurocontrol) and all charges of the Aviation Authority (whether relating to navigation or otherwise) and will (i) deliver a letter to Eurocontrol in the form of schedule 5, and (ii) on written request by the Mortgagee supply evidence of the payment of any such charges,
- (e) replace promptly any Part of the Aircraft or any Engine in respect of which a Total Loss occurs with a replacement Part or Engine which shall be (i) owned by the Owner free and clear of all Security Interests, and (ii) in such operating conditions as, and of equivalent or better value to, the replaced Part or Engine was (or would have been if it had been maintained in accordance with the terms hereof),
- (f) make all mandatory or recommended alterations and modifications and additions to the Aircraft and the Engines as may from time to time be required by the Aviation Authority or any other relevant authority within the term period required by the relevant authority or the relevant manufacturer,
- (g) comply (on a terminating action basis where available) with all mandatory airworthiness directives from time to time issued by the Aviation Authority and any modification recommended by the manufacturer of the Aircraft or any Engine in a Mandatory Service Bulletin (unless such Mandatory Service Bulletin is excluded by the relevant authority),
- (h) ensure that all inspections, services, repairs, overhauls, tests and modifications to be carried out to or on the Aircraft are carried out by a maintenance performer approved by the Aviation Authority,
- (i) not suffer any arrest, detention, exercise of a possessory lien, execution, distress or other legal process to be levied or sued out against the Aircraft and following the occurrence of such event or circumstance, the Owner shall notify the Mortgagee immediately and shall take all steps necessary to ensure that the Aircraft is promptly released therefrom,
- (j) ensure that such crew and engineers are employed in connection with the operation and maintenance of the Aircraft have such qualifications and hold such licences as are required by the Aviation Authority and by all other applicable laws and regulations,
- (k) reserve the right to insist that the Mortgagee affix and keep affixed to the Aircraft (in a prominent position in the cockpit) and to each Engine (underneath the cowl) a fireproof metal plate which has inscribed thereon (in legible characters)

"This Aircraft, its engines and accessones are owned by [the Owner] as owner subject to a first prnorty mortgage in favour of Shawbrook Bank Limited",
- (m) operate the Aircraft in the ordinary course of its business and not permit the Aircraft to be operated for testing, training, racing or any purpose for which it is not designated or reasonably suitable,
- (n) at any time make available to the Mortgagee for inspection the Manuals, Technical Records and log books, maintenance records, record books, other documents referred to in paragraph 1(b) above and all other records kept by the Owner or any other person in respect of the Aircraft,
- (o) on request, promptly furnish to the Mortgagee all such information regarding the operation, maintenance and condition of the Aircraft as the Mortgagee may reasonably request,

- (p) promptly furnish the Mortgagee with full details of any casualty or other damage or accident to the Aircraft, and
 - (r) ensure that the Aircraft shall not be used or operated when the Insurances are not in full force and effect or otherwise at a time or in a manner or in any geographical area which constitutes a breach of the terms of the Insurances or is otherwise inconsistent with the terms of the Insurances
- 2 Until the occurrence of an Event of Default, the Owner may
- (a) remove any Part (other than an Engine) in the ordinary course of maintenance, service, repair, overhaul or testing, it promptly replaces it with a replacement Part which complies with paragraph 1(e),
 - (b) remove any Engine in the ordinary course of maintenance, service, repair, overhaul or testing provided that such Engine is re-installed on the Aircraft, or a replacement engine which complies with paragraph 1(e) is installed on the Aircraft, within 30 days of the removal from the Aircraft of such Engine and provided further that the removed Engine remains the property of the Owner unless and until a replacement engine which complies with paragraph 1(e) is installed on the Aircraft,
 - (c) make such alterations and modifications in and additions to the Aircraft as it thinks desirable in the proper conduct of its business or which may arise as a result of an Airworthiness Directive or a Service Bulletin provided that no such alteration, modification or addition (other than an Airworthiness Directive or Mandatory Service Bulletin) breaches the requirements or recommendations of the Aviation Authority, the Maintenance Programme, the manufacturer or any other relevant authority or materially diminishes the value or utility of the Aircraft or impairs the airworthiness of the Aircraft and provided further that no such alteration or modification may be made with or comprising Parts which are not owned absolutely by the Owner free from all Security Interests,
 - (d) remove any Part (other than an Engine) from the Aircraft without replacing it as required by this Deed if such Part (i) is in addition to and not in replacement of any Part previously installed on or attached to the Aircraft, (ii) is not required to be installed on or attached to the Aircraft, and (iii) can be removed from the Aircraft without impairing the airworthiness of the Aircraft or diminishing its value,
 - (e) whilst an Engine has been removed from the Aircraft in accordance with the provisions of paragraph 2(b), install a replacement engine which is not the property of the Owner provided that the removed Engine is re-installed, or such other engine as may satisfy the requirements of paragraph 1(e) is installed, on the Aircraft within the period specified in paragraph 2(b) and, further provided that the Engine substituted or replaced by such replacement engine shall at all times remain free from any Security Interest, shall remain the property of the Owner, and shall not cease to be subject to this Deed and until it is replaced by an engine which satisfied the requirements of paragraph 1(e), and
 - (f) print or paint its name or other symbol on the Aircraft
- 3 Subject to paragraph 2, the Owner may not without the prior written consent of the Mortgagee
- (a) make any alteration in or modification or addition to the Aircraft, remove any part from the Aircraft or install any Part on or attach any of the said events to occur,
 - (b) make, do or permit or agree to any act or omission which might cause the Aircraft to be exposed to penalty, forfeiture, impounding, destruction or abandonment under any applicable law or regulation, or
 - (c) hold out or represent, permit or suffer the holding out or representation that any member of the crew of the Aircraft is in the employment of the Mortgagee or that the Mortgagee is carrying persons or goods in the Aircraft or are in any way connected or associated (whether for hire or gratuitously) with any operation of the Aircraft undertaken by (or on behalf of) the Owner,
 - (d) fly or allow the Aircraft to be flown outside Great Britain and Northern Ireland and the Republic of Ireland (the "Permitted Territory") In the event that the Mortgagee consents to the Aircraft being flown outside of the Permitted Territory the Owner shall procure that the Aircraft returns to the Permitted Territory within 14 days
 - (e) change the habitual base of the Aircraft
- 4 The Owner shall promptly notify the Mortgagee
- (a) of any material alterations in or material modifications or additions to the Aircraft,
 - (b) of any Security Interest arising on the Aircraft and/or exercised over the Aircraft,
 - (c) (if the Mortgagee requests) the location of the Aircraft and of any Engine which is not, for the time being, installed or attached to the Aircraft,

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- 5 The existence of any agreement for maintenance of the Aircraft shall not in any way absolve, negate, reduce or mitigate the obligations of the Owner to maintain the Aircraft in the manner required under this Deed

SCHEDULE 2

Insurance Covenants

- 1 The Owner shall effect and maintain in relation to the Aircraft
 - (a) Hull All-Risks insurance for loss of or damage to the Aircraft whilst flying and on the ground on an "agreed value basis" for an amount which is no less than 110% of the amount outstanding under the Aircraft Loan Agreement from time to time,
 - (b) Hull War and Allied Perils insurance, being such risks excluded from the Hull All risks policy by application of war, hijacking and other perils exclusion clause AVN48B to the fullest extent available from the leading aviation insurance markets, including confiscation and requisition by the State of Registration on an "agreed value basis" for an amount which is no less than 110% of the amount outstanding under the Aircraft Loan Agreement from time to time, and
 - (c) All risks insurance (including Hull, War and Allied Perils to the fullest extent available) on the Engines and Parts while not installed on the Airframe (and not considered part of the Aircraft for insurance purposes) or the Aircraft on an "agreed value basis" for their full replacement cost
- 2 The insurances required under paragraph 1 shall be provided on an "agreed value basis" (in the event of a Total Loss the Insurers will pay the specified agreed value rather than the cost of acquiring a replacement aircraft) and the policies shall
 - (a) include the Mortgagee as additional insured and contract party for its respective rights and interests,
 - (b) include a reference to the Aircraft Loan Agreement and this Deed,
 - (c) include, in the event of separate insurances being arranged to cover the "Hull All Risks" insurance and the "Hull War Risk" and related insurance, a 50/50 claims funding arrangement in the event of any dispute as to whether a claim is covered by the "Hull All Risks" or "Hull War Risks" policy, wording in the terms of Lloyds clause AVS103 being sufficient for such purpose, and
 - (d) be subject to a deductible (except in the event of Total Loss) of not more than 2% of the amount of Hull All-Risks insurance cover effected by the Owner for loss of or damage to the Aircraft
- 3 The Owner shall effect and maintain in relation to the Aircraft, a policy or policies of insurance covering aircraft third party, passenger, baggage, cargo, mail and legal liability for a combined single limit (Bodily Injury/Property Damage) of not less than such amount as may be approved from time to time by the Mortgagee (and in any event no less than the amount earned in respect of the same or similar aircraft in the Owner's fleet in the same jurisdiction as the Aircraft) War and Allied Perils Risks shall also be covered in accordance with the then current market practice for aircraft of the same type as the Aircraft
- 4 The policies evidencing the insurances required under paragraph 3 shall
 - (a) include the Mortgagee and its officers, directors, employees, agents and its successors and assigns each as additional insured and as contract parties,
 - (b) provide that all the provisions thereof, except the limits of liability, shall operate to give each named insured the same protection as if there were a separate policy covering each named insured save that this provision shall not operate to include any claim arising in respect of loss or damage to the Aircraft or relevant spare parts covered under the Hull or Spares Insurance, it being understood that notwithstanding the foregoing the total liability of Insurers in respect of any and all insureds shall not exceed the limits of liability stated in the policy, and
 - (c) be primary and without right of contribution from other insurance which may be available to the Mortgagee or any of its officers, directors, employees, agents and its successors and assigns
- 5 The policies evidencing any Insurances required under paragraphs 1 and 3 shall
 - (a) provide that the cover afforded to the additional insured shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person or any party which results in a breach of any term, condition or warranty of the policy provided that the additional insured so protected has not caused, contributed to or knowingly condoned the said act or omission,
 - (b) provide for worldwide coverage (subject only to such exceptions as are consistent with the then generally accepted market practice),
 - (c) provide that the Insurers shall waive any right of subrogation to any right against the Mortgagee, any of its officers, directors, employees, agents and its successors, transferees and assigns,

- (d) provide that the Mortgagee shall not be liable for any premiums in respect thereof and that the Insurers shall not exercise any right of set-off or counterclaim in respect of unpaid premiums or otherwise against the interest of the Mortgagee otherwise than in respect of unpaid premiums with respect to the Insurances, and
 - (e) provide that the required insurance may only be cancelled or materially altered in a manner adverse to the additional insureds and contract parties by the giving of not less than 30 days notice in writing (but 7 days or such lesser period as may be customarily available in respect of War and Allied Perils) to the Mortgagee. Notice shall be deemed to commence from the date such notice is given by the Insurers. It is understood that such notice will not, however, be given at normal expiry date of the policy or any endorsement
- 6 All Insurances shall be maintained with such insurance underwriters and companies as the Mortgagee may approve
- 7 The Owner shall in relation to the Aircraft
- (a) furnish to the Mortgagee forthwith upon the date not later than 7 days after the renewal date of each Insurance, a certificate or certificates signed by the relevant Insurers (or their authorised representatives) or brokers, acceptable to the Mortgagee (the "Brokers") providing evidence of insurance coverage pursuant to this schedule 2. Each such certificate shall (i) describe the perils covered by each policy of insurance issued by it then in force, (ii) specify the amounts of insurance coverage provided against each such peril and any deductible or uninsured amount and (iii) certify that each such policy is then in full force and effect,
 - (b) furnish to the Mortgagee, on written request, evidence of (i) payment of each sum then due and payable under or in connection with the Insurances and (ii) before or on the expiry of any policy or policies in respect of such Insurances, renewal of the relevant policy or policies or that renewal will be effected on expiry, and
 - (c) procure that the relevant Insurers or Brokers provide the Mortgagee with such other information as to any Insurances as the Mortgagee may request
- 8 The following provisions shall apply with respect to the distribution of proceeds of the Insurances and any re-insurances
- (a) all proceeds of a Total Loss shall be paid in full to the Mortgagee or as the Mortgagee shall direct without any deduction or deductions whatsoever subject to deductions for unpaid premiums relating to the Aircraft,
 - (b) all proceeds in respect of a partial loss or in respect of repairable damage to the Aircraft or an Engine shall be paid directly to the repairer or to the person who has paid for such repairs on production of the relevant invoice, and
 - (c) all proceeds of loss of or damage to an Engine which does not constitute repairable damage shall be paid in full to the Owner or to the seller of an engine which the Mortgagee has accepted as a replacement for the Engine which has suffered a Total Loss
- 9 The Owner shall, in relation to the Aircraft cause the relevant Brokers to issue a written undertaking in favour of the Mortgagee in such form as the Mortgagee may approve which shall inter alia, (i) require such Brokers to notify the Mortgagee forthwith upon such Brokers becoming aware of any cancellation or non-renewal of or modification to the Insurances of their ceasing to act as insurance brokers to the Owner or of any other fact or circumstance of which they may at any time learn which might invalidate the Insurances or render them wholly or partially unenforceable, and (ii) require the Brokers to provide the Mortgagee with a certificate of insurance at the same time as the Broker supplies the same to the Owner
- 10 The Owner shall, in relation to the Aircraft, forthwith notify the Mortgagee of any event which may give rise to a claim under the Insurances
- 11 The Owner shall not, in relation to the Insurances
- (a) make or permit the making of any modification to the Insurances without the prior written consent of the Mortgagee, or
 - (b) do omit to do, permit or suffer to exist anything whereby the Insurances would or might be expected to be rendered in whole or in part invalid or unenforceable and, without prejudice to the foregoing, shall not use or keep or permit the Aircraft or any part thereof to be used or kept for any purpose, in any manner or in any place not covered by the required Insurances, or
 - (c) cause or knowingly permit the Aircraft to be employed or used in any place or in any manner or for any purpose inconsistent with the terms of or outside the cover provided by the Insurances or if the Insurances have lapsed



- 12 The Owner shall, in relation to the Insurances, bear any part of any loss or liability which is to be borne by the insured under the Insurances (notwithstanding that such Insurance names the Mortgagee or other person as additional named insured)
- 13 The Owner shall, in relation to the Insurances, reimburse the Mortgagee on demand the amount of any premiums or premium instalments which the Mortgagee may pay
- 14 If the Owner shall fail to maintain Insurances, or cause to be maintained Insurances which in the opinion of the Mortgagee do not meet the requirements of this Deed, the Mortgagee may at its option, after notice in writing to the Owner, obtain such Insurances and in such event the Owner shall, upon demand, reimburse the Mortgagee for the cost thereof
- 15 Without in any way limiting the Owner's obligations under the other provisions of this schedule 2 the Owner undertakes that if, at any time clause "AVN2000 Date Recognition Exclusion Clause" or any equivalent clause is endorsed on the policies of insurance required hereunder the Owner shall, at its costs and expense, do all things take any and all such action available to it to ensure that the interests of the Mortgagee under such policies of insurance are fully protected (including, without limitation, ensuring that clauses "AVN2001 Date Recognition Limited Coverage Clause" and "AVN2002 Date Recognition Limited Coverage Clause" or any equivalent clauses are endorsed on the policies of insurance required hereunder as soon as possible thereafter) If at any time the Mortgagee shall be of the opinion that its interests in the insurances are not adequately protected by reason of the operation of clause "AVN2000 Date Recognition Exclusion Clause" or any equivalent clause, the Mortgagee may without obligation take out such policy of insurance to insure the Mortgagee against such risks as the Mortgagee may think fit (acting reasonably) and the Owner shall indemnify and does hereby indemnify the Mortgagee against any Loss suffered, incurred or paid in connection therewith

SCHEDULE 3

Form of Notice and Acknowledgement of Assignment of Insurances

To

Date

aircraft with manufacturer's serial number and Registration Mark (the "Aircraft")

We hereby give you notice that by an aircraft mortgage dated (the "**Aircraft Mortgage**") and made between (the "**Owner**") and Shawbrook Bank Limited (the "**Mortgagee**"), the Owner has assigned to the Mortgagee all of its right, title, interest and benefit in, to and under, *inter alia*, the proceeds of all policies and contracts of insurance which are from time to time entered into in respect of the Aircraft, including all claims under such policies and contracts and return of premiums (excluding proceeds in respect of any third party liability) in relation to the Aircraft

Please acknowledge receipt of this notice by countersigning and dating this notice and send such countersigned and dated notice to the Mortgagee

Terms used in this notice shall, unless the context otherwise requires, have the same meaning as in the Aircraft Mortgage (including terms defined therein by reference to another document, instrument or agreement)

For and on behalf of
[the Owner]

By
Title

To Shawbrook Bank Limited

We acknowledge receipt of this notice, consent to the assignment of insurances referred to herein and confirm that we have not previously received notice of any other assignment of the interest of [•] in the above-mentioned insurances

Except to the extent expressly advised by us to you in writing, we further confirm that the policies and contracts of insurance effected through us by the Mortgagee in relation to the Aircraft comply with the Insurance Covenants set out in schedule 2 of the Aircraft Mortgage (copy attached)

For and on behalf of

By
Title

SCHEDULE 4

Form of Notice and Acknowledgement of Assignment of Warranties

To

[Date]

aircraft with manufacturer's serial number and Registration Mark (the "Aircraft")

We hereby give you notice that by an aircraft mortgage dated (the "Aircraft Mortgage") and made between (the "Owner") and Shawbrook Bank Limited (the "Mortgagee"), the Owner has assigned to the Mortgagee all of its right, title, interest and benefit in, to and under, *inter alia*, all warranties in respect of the Aircraft (including the Airframe, the Engine or any Part) by any manufacturer, supplier, dealer or seller thereof including any warranty as to title and all post-delivery rights relating thereto and the benefit of any agreement for the sale, repair, maintenance, overhaul, testing or servicing of the Aircraft (including the Airframe, the Engine or any Part) including the benefit of all warranties and indemnities relating thereto (collectively, the "Warranties")

Until the Mortgagee notifies you that it is exercising its rights under the Aircraft Mortgage we shall be entitled to exercise all rights and remedies arising out of or in connection with the Warranties and you are to continue performing your obligations under the Warranties in our favour

Please acknowledge receipt of this notice by countersigning and dating this notice and send such countersigned and dated notice to the Mortgagee

Terms used in this notice shall, unless the context otherwise requires, have the same meaning as in the Aircraft Mortgage (including terms defined therein by reference to another document, instrument or agreement)

For and on behalf of
[the Owner]
By
Title

To Shawbrook Bank Limited

We acknowledge receipt of this notice, consent to the assignment of Warranties referred to herein and confirm that we have not previously received notice of any other assignment of the interest of [•] in the above-mentioned Warranties

For and on behalf of
[Manufacturer/Maintenance Performer/Dealer/Seller, etc]
By [•]
Title [•]

SCHEDULE 5

Form of Eurocontrol Letter

The Director of the Central Route Charges Office
European Organisation for the Safety of Air
Navigation
(EUROCONTROL)
Rue de la Fusée, 96
1130 Bruxelles
Belgium

Dear Sir

Authorisation Letter

Aircraft model xxx: Registration xxx msn xxx the "Aircraft"

We have mortgaged the above Aircraft in favour of [♦] (the **Mortgagee**), in accordance with an aircraft mortgage (dated) between us and the Mortgagee

We hereby authorise you to provide the Mortgagee (or his duly authorised representative) with a general statement of account in relation to air navigation charges incurred by us and due to EUROCONTROL. Access to the statement(s) of account will be provided in accordance with the procedures established by EUROCONTROL.

The authorisation contained in this letter may only be revoked or amended by a written instruction signed by us and the Mortgagee

Yours faithfully

For and on behalf of (name of Aircraft Owner)

Name

Title

SCHEDULE 6

Form of Deregistration Power of Attorney

[Date]

The undersigned _____ of _____ a corporation / limited liability partnership incorporated under the laws of England and having its registered office at _____ (the "**Owner**") is the registered owner of the _____ aircraft having manufacturer's serial number _____ and Registration Mark _____

As security for the performance of the obligations of the Owner under the loan agreement dated _____ between Shawbrook Bank Limited (the "**Mortgagee**") and the Owner relating to the Aircraft (the "**Aircraft Loan Agreement**") the Owner IRREVOCABLY AND UNCONDITIONALLY APPOINTS the Mortgagee to be its lawful attorney to execute and to do and perform on its behalf and in its name or otherwise to apply for, obtain and deliver any documents, instruments, permits, licences, approvals or certificates with such amendments thereto (if any) which may be required to obtain deregistration of the Aircraft from the register of aircraft maintained by the Civil Aviation Authority of the United Kingdom and export the Aircraft from the United Kingdom

AND the Owner hereby undertakes to ratify and confirm whatsoever the Mortgagee shall lawfully do or cause to be done by virtue of this Power of Attorney

AND the Owner hereby further grants to the Mortgagee full power and authority to substitute and appoint in its place one or more attorney or attorneys to exercise for it as attorney or attorneys of the Owner any or all the powers and authorities hereby conferred and to revoke any such appointment from time to time and to substitute or appoint any other or others in the place of such attorney or attorneys as the Mortgagee shall from time to time think fit

The powers conferred by the Owner in this Power of Attorney are irrevocable and unconditional and are granted for value and secure proprietary interests in and the performance of obligations owed to the Mortgagee and shall not terminate unless and until all amounts owing by the owner to the Mortgagee pursuant to the Aircraft Loan Agreement have been satisfied in full

No failure or delay on the part of the Mortgagee to exercise, and no delay in exercising any right, power or privilege under this Power of Attorney shall operate as a waiver thereof, nor shall the exercise of any right, power or privilege under this Power of Attorney preclude any other or further exercise thereof or the exercise of any other right, power or privilege

The powers as set out in this Power of Attorney shall become effective from the date hereof, but shall become exercisable only following the occurrence of an Event of Default (as that term is defined in the Aircraft Mortgage)

This Power of Attorney shall be governed by English law

EXECUTED as a deed
for and on behalf of

[the Owner]
By _____
and _____

Authorised Signatory

Authorised Signatory

OR

EXECUTED as a deed _____)
by [the Owner] _____)
in the presence of [Name of Witness] _____)

SIGNATURE PAGE

The Owner

EXECUTED as a deed
for and on behalf of
Leamington Hobby Centre Limited
By

Director/ Authorised Signatory

and by

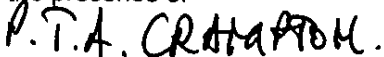
Director/Secretary/ Authorised Signatory

OR


EXECUTED as a deed
by Leamington Hobby Centre Limited

b 

In the presence of



Name


Winter Cottage, High St. Great Belwyn, WUX, SNP. SNU.

Address



Development Manager.

Occupation

The Mortgagee

EXECUTED as a deed
for and on behalf of
SHAWBROOK BANK LIMITED
by
and by

)
)
)
)
)


Ann Darnie
Authorised Signatory

Authorised Signatory