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legibly, preferably  
in black type, or  
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\*insert full name  
of Company

## COMPANIES FORM No. 395 *A/c 00400107* Particulars of a mortgage or charge

# 395

A fee of £13 is payable to Companies House in respect  
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 6)

For official use

Company number

2111

06033619

Name of company

\* Blue Sky Five Limited (the "Beneficiary")

Date of creation of the charge

21 December 2006

Description of the instrument (if any) creating or evidencing the charge (note 2)

Beneficial Interest Security Agreement (the "Agreement") between Blue Sky Five Limited as beneficiary, Wells Fargo Bank Northwest, National Association as owner trustee and PK AirFinance US, Inc. as secured party (the "Secured Party")

Amount secured by the mortgage or charge

See Schedule 2  
See Schedule 1 for definitions

Names and addresses of the mortgagees or persons entitled to the charge

PK AirFinance US, Inc., 400 Madison Avenue, Suite 9C, New York, New York as secured party for and on behalf of the Secured Parties, (as defined in Schedule 1)

Postcode 10017

Presentor's name address and  
reference (if any):

Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

For official Use (06/2005)  
Mortgage Section



LD2  
COMPANIES HOUSE

\*LETXGLYY\*  
392  
05/01/2007

Time critical reference  
UK/1097445/1

Short particulars of all the property mortgaged or charged

See Schedule 3

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legibly, preferably  
in black type, or  
bold block  
lettering*

Particulars as to commission allowance or discount (note 3)

None

Signed

*Clifford Chance LLP*

Date 3 January 2007

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] †

*A fee is payable  
to Companies  
House in  
respect of each  
register entry  
for a mortgage  
or charge.  
(See Note 5)*

† delete as  
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;  
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or  
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional,  
for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

## SCHEDULE 1

### DEFINITIONS

In this form 395:

**"Account Charges"** means the account charges in the agreed form entered into or to be entered into, as the context may require, between each Beneficial Owner and each Collateral Provider in favour of the Security Trustee in respect of the MR Accounts.

**"Agent"** means PK AirFinance US, Inc.

**"Aircraft"** means any or all, as the context may require, of the Financed Aircraft and the Collateral Aircraft.

**"Balli"** means Balli Group plc.

**"Balli Undertaking"** means the undertaking entered into, as to be entered into, as the context may require, between Balli and the Security Trustee.

**"Beneficial Interest Security Agreement"** means (i) the Agreement in respect of the relevant Trust Agreement between the Beneficiary and the Owner Trustee, and (ii) any other the beneficial interest security agreement, in relation to any Trust Agreement, entered into, or to be entered into (as the context may require) between any Beneficial Owner and the Security Trustee.

**"Beneficial Owner"** means (i) in respect of the First Aircraft, Blue Sky Four Limited, (ii) in respect of the Second Aircraft, the Beneficiary and (iii) in respect of the Third Aircraft, Blue Sky Six Limited.

**"Beneficiary Collateral"** means all property, rights and privileges in which a security interest is granted or expressed to be granted under the Agreement by the Beneficiary to the Secured Party for the benefit of itself and the other Secured Parties, as described in paragraph 1 of Schedule 3.

**"Bill of Sale"** in respect of a Financed Aircraft, has the meaning given to it in the Sale Agreement in relation to such Aircraft.

**"Borrower"** means Wells Fargo Bank North West, National Association, not in its individual capacity but solely as owner trustee.

**"Collateral Aircraft"** means the Fourth Aircraft and the Fifth Aircraft.

**"Collateral Provider"** means (i) in respect of the Fourth Aircraft, Blue Sky Two Limited and (ii) in respect of the Fifth Aircraft, Blue Sky Three Limited.

**"Deregistration Power of Attorney"** means, in respect of each Aircraft, the irrevocable deregistration, power of attorney executed or, as the context may require, to be executed by the relevant Owner in favour of the Security Trustee.

**"Facility Agreement"** means the facility agreement entered into or to be entered into, as the context may require, between the Lenders, the Agent, the Security Trustee and the Borrower.

**"Fee Letters"** means any letter between any of the Agent and/or the Lender(s), on the one hand, and the Borrower, on the other hand, which is expressed by the terms thereof to be a "Fee Letter" for the purposes of the Transaction Documents.

**"Fifth Aircraft"** means the Boeing aircraft model B747-400 manufacturer's serial number 26879.

**"Financed Aircraft"** means the First Aircraft, the Second Aircraft and the Third Aircraft.

**"Finance Parties"** means, together, the Lenders, the Security Trustee and the Agent (and **"Finance Party"** means any of them).

**"First Aircraft"** means the Boeing aircraft model B747-400 manufacturer's serial number 26474.

**"Fourth Aircraft"** means the Boeing aircraft model B747-400 manufacturer's serial number 24383.

**"Lender"** means, in relation to the Facility Agreement:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a party in accordance with clause 21 (*Changes to the Lenders*) of the Facility Agreement,

which in each case has not ceased to be a party to the Facility Agreement in accordance with the terms of the Facility Agreement.

**"Lien"** shall mean any mortgage, pledge, lien, charge, encumbrance, hypothecation, lease, sublease, seizure, exercise of rights, security interest or other claim or right of possession of any kind or nature whatsoever, however and wherever created or arising and whether or not consensual.

**"Maintenance Reserves"** means payments of maintenance reserves payable in accordance with clause 19.14 (*Maintenance Reserves*) of the Facility Agreement.

**"Mortgage"** means, in respect of any Aircraft, (i) the mortgage and security assignment entered into on or about the date of the Agreement between the relevant Owner and the Security Trustee and (ii) any other aircraft mortgage over such Aircraft entered into from time to time by the relevant Owner in favour of the Security Trustee.

**"MR Accounts"** means the accounts of the Borrower into which the Maintenance Reserves are paid in accordance with Clause 19.14 (*Maintenance Reserves*) of the Facility Agreement.

**"Obligors"** means, collectively, the Borrower, the Parent, the Beneficial Owners and each Collateral Provider (each an **"Obligor"**).

**"Original Lender"** means each of the persons named in Schedule 1 (*The Original Lenders*) of the Facility Agreement.

**"Owner"** means (i) in respect of each Financed Aircraft, the Borrower and (ii) in respect of each Collateral Aircraft, the relevant Collateral Provider who is the legal owner of such Aircraft.

**"Owner Trustee"** means Wells Fargo Bank North West, National Association, not in its individual capacity but solely as owner trustee.

**"Parent"** means Balli Aviation Limited.

**"Parent Share Charge"** means the share charge entered into or to be entered into, as the context may require, between the Security Trustee and Global Securities Limited in respect of the shares of the Parent.

**"Proceeds Deed"** means the proceeds deed dated on or about the date of the Agreement between, *inter alios*, the Secured Party and the Beneficiary.

**"Sale Agreement"** means, in respect of each Financed Aircraft, the aircraft sale agreement entered into, or to be entered into, as the context may require between the Seller as seller and the Borrower as buyer providing for the transfer of title, *inter alia*, to such Financed Aircraft to the Borrower.

**"Sale Agreement Acceptance Certificate"** in respect of any Financed Aircraft, has the meaning given to the term "Delivery Receipt" in the Sale Agreement in relation to such Aircraft.

**"Second Aircraft"** means the Boeing aircraft model B747-400 manufacturer's serial number 25395.

**"Secured Parties"** means the Finance Parties and the Subordinated Lender.

**"Security Documents"** means (i) each Mortgage, the Balli Undertaking, each Share Charge, the Parent Share Charge, each Deregistration Power of Attorney, each Account Charge, each Beneficial Interest Security Agreement (ii) any other document, instrument or agreement which is agreed in writing by the Borrower and the Security Trustee to be a "Security Document" and (iii) each and every notice, acknowledgement, certificate or document delivered or required to be delivered under any of the foregoing (and "Security Document" means any of them).

**"Security Trustee"** means PK AirFinance US, Inc.

**"Seller"** means, in relation to each Financed Aircraft, the party selling title to such Aircraft to the Borrower pursuant to a Sale Agreement.

**"Share Charge"** means each share charge entered into between the Security Trustee and the Parent in respect of the Shares of each Collateral Provider.

"**Shares**" in relation to any Collateral Provider, the Parent and any company to which the title to any Collateral Aircraft or Financed Aircraft is transferred in accordance with Clause 22 (*Changes to the Borrower*) of the Facility Agreement, means all of the issued share capital of such company.

"**Subordinated Lender**" means Balli Financial Services Limited.

"**Subordinated Loan**" means the agreement or agreements for the provision of a subordinated loan or loans made or to be made between (i) the Subordinated Lender and (ii) the Borrower and/or any other Obligor.

"**Third Aircraft**" means the Boeing aircraft model B747-400 manufacturer's serial number 26881.

"**Transaction Documents**" means (i) the Facility Agreement, the Proceeds Deed, each Sale Agreement, each Sale Agreement Acceptance Certificate, each Bill of Sale, each Fee Letter, the Security Documents, the Balli Undertaking, the Subordinated Loan and (ii) any other document, instrument or agreement which is agreed in writing by the Borrower and the Security Trustee to be a Transaction Document and "**Transaction Document**" means any of them.

"**Trust Agreement**" means, in respect of each Aircraft, the trust agreement entered into or to be entered into, as the context may require, between Wells Fargo Bank North West, National Association and the relevant Beneficial Owner.

"**Trust Estate**" has the meaning given to such term in the Trust Agreement.

## **SCHEDULE 2**

### **AMOUNT SECURED BY THE MORTGAGE OR CHARGE (THE "SECURED OBLIGATIONS")**

Any and all moneys, liabilities and obligations (whether actual or contingent, whether existing at the date of the Agreement or thereafter arising, whether or not for the payment of money and including, without limitation, any obligation or liability to pay damages) from time to time owing to (i) any of the Finance Parties by any Obligor pursuant to any Transaction Document, notwithstanding that the recourse of the Finance Parties against any person may be limited in recourse, or (ii) the Subordinated Lender by any Obligor pursuant to the Subordinated Loan.

10

### SCHEDULE 3

#### SHORT PARTICULARS OF ALL THE PROPERTY CHARGED

1. The Beneficiary has, without any further action on the part of the Beneficiary, any Obligor, the Secured Party or any of the other Secured Parties assigned, granted, pledged, conveyed, bargained, mortgaged, transferred and set over to the Secured Party, for the benefit of the Secured Party and each of the other Secured Parties, a first priority security interest in, and lien on the following:
  - (a) all claims, rights, estates, interests, powers, remedies and privileges of the Beneficiary in and to the Trust Estate and the Trust Agreement;
  - (b) all tolls, rents, revenues, issues, income, products, profits, estate, right, title, interest and claims whatsoever, at law as well as in equity, which the Beneficiary had or possessed on the date of the Agreement or to which the Beneficiary may become legally or equitably entitled, directly or indirectly, from, in or to the property described in paragraph 1(a) above; and
  - (c) all proceeds of any of the foregoing.
2. The Beneficiary has also agreed that all of the Beneficiary Collateral, whenever acquired by the Beneficiary, secures all Secured Obligations at any time outstanding. Any and all Beneficiary Collateral which is acquired by Beneficiary, without further conveyance, assignment or act by the Beneficiary or the Secured Party becomes and is subject to the Liens granted under the Agreement as fully and completely as though specifically described therein.
3. **FURTHER ASSURANCE**

The Agreement contains covenants for further assurance.
4. **NEGATIVE PLEDGE**

The Agreement contains a negative pledge clause

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 06033619

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A BENEFICIAL INTEREST SECURITY AGREEMENT DATED THE 21st DECEMBER 2006 AND CREATED BY BLUE SKY FIVE LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OBLIGOR TO ANY OF THE FINANCE PARTIES OR THE SUBORDINATED LENDER ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 5th JANUARY 2007.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 9th JANUARY 2007.



*Companies House*

— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES