



Registration of a Charge

Company name: **3FS AVIATION LIMITED**

Company number: **06082842**



X4XWM062

Received for Electronic Filing: **04/01/2016**

Details of Charge

Date of creation: **16/12/2015**

Charge code: **0608 2842 0004**

Persons entitled: **BANK OF LONDON AND THE MIDDLE EAST PLC**

Brief description: **ONE PILATUS PC-12/47E AIRCRAFT WITH MANUFACTURER'S SERIAL
NUMBER 1346 AND REGISTRATION MARK M-GETS**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **WATSON FARLEY & WILLIAMS (MIDDLE EAST) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6082842

Charge code: 0608 2842 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th December 2015 and created by 3FS AVIATION LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th January 2016 .

Given at Companies House, Cardiff on 5th January 2016

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 16 December

2015

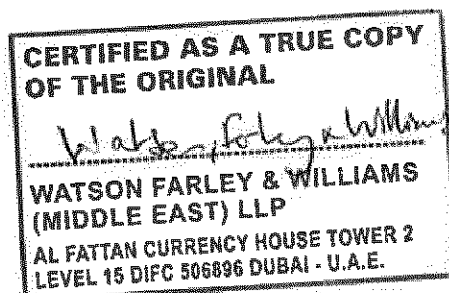
3FS AVIATION LIMITED
as Owner

and

BANK OF LONDON AND THE MIDDLE EAST PLC
as Mortgagee

**AIRCRAFT MORTGAGE AND
SECURITY AGREEMENT**

relating to
one Pilatus PC-12/47E aircraft
with manufacturer's serial number 1346
and registration mark M-GETS



INDEX

Clause		Page
1	Interpretation	1
2	Covenant To Pay	2
3	Mortgage and Charge	2
4	Assignment	3
5	Nature Of Security And Effectiveness	4
6	Undertakings And Covenants By Owner	4
7	Perfection Of Security And Further Assurances	6
8	Continuing Security	6
9	Enforcement Of Security	8
10	Delegation By Mortgagee	10
11	Powers Of Receiver	10
12	Protection Of Third Parties	11
13	Power Of Attorney	11
14	Application Of Proceeds	12
15	Expenses And Indemnities	12
16	Successors In Title	12
17	Governing Law	12
18	Other Provisions	13
Schedules		
	Schedule 1 Description of Aircraft	14
	Schedule 2 Notices and Acknowledgments	15
	Part A Notice of Assignment of Insurances	15
	Part B Acknowledgement of Assignment of Insurances	16
	Part C Notice regarding Warranties	17
	Part D Acknowledgement regarding Warranties	18
Execution		
	Execution page	19

THIS AIRCRAFT MORTGAGE AND SECURITY AGREEMENT (this "Deed") is made by way of deed on
16 December 2015

BETWEEN:

- (1) **3FS AVIATION LIMITED**, a company with limited liability incorporated in England and Wales with registration number 06082842, whose registered office is at Great Trippetts Rake Road, Milland, Liphook, Hampshire, GU30 7JX (the "Owner"); and
- (2) **BANK OF LONDON AND THE MIDDLE EAST PLC**, whose registered office is at Sherborne House, 119 Cannon Street, London EC4N 5AT (the "Mortgagee").

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Definitions

In this Deed, except where the context otherwise requires, the following terms have the meanings given to them in this Clause 1.1:

"Agreements" means the agreements or arrangements constituting the Assigned Property.

"Aircraft" means one (1) Pilatus PC-12/47E aircraft with manufacturer's serial number 1346 and registration mark M-GETS as more fully described in Schedule 1 (*Description of Aircraft*) (which term includes, where the context admits, a separate reference to the Engine and Aircraft Documents).

"Assigned Property" means all of the right, title and interest, present and future, of the Owner in, to and under:

- (a) the Insurance Property;
- (b) the Requisition Compensation;
- (c) the Assigned Warranties;
- (d) any and all proceeds in respect of any of the foregoing,

together with:

- (i) all claims, rights and remedies of the Owner arising out of or in connection with a breach of or default under or in connection with any of the Agreements (including, without limitation, all damages and other compensation payable for or in respect thereof); and
- (ii) all rights of the Owner to require, enforce and compel performance of all of the provisions of any of the Agreements, and otherwise to exercise all claims, rights and remedies thereunder, and all rights to give and receive notices, reports, requests and consents, to make demands, to exercise discretions, options and elections thereunder and to take all other action thereunder, pursuant thereto or in connection therewith.

"Assigned Warranties" means any and all subsisting and assignable warranties given by any Manufacturer in relation to the Airframe or the Engine.

"Facility Agreement" means the murabaha facility agreement dated on or about the date of this Deed between the Owner as purchaser and the Mortgagee as seller in relation to the Aircraft.

"Insurance Property" means all of the proceeds of the Insurances and the benefits and claims under and in respect of the Insurances (but, for the avoidance of doubt, shall not include the contracts or policies of Insurances thereunder).

"Insurances" means all policies and contracts of insurance (other than third party liability insurances) effected from time to time in respect of or relating to the Aircraft or any part thereof.

"Mortgaged Property" means the property mortgaged in favour of the Mortgagee pursuant to Clause 3.1.

"Receiver" means any receiver or receiver and manager appointed by the Mortgagee hereunder or under any power.

"Requisition Compensation" means any proceeds of requisition (whether for title, use, hire or otherwise), confiscation, nationalisation, sequestration, detention, forfeiture or any compulsory acquisition whatsoever or seizure of the Aircraft or any part thereof.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Owner to the Secured Parties or any of them under or in connection with the Facility Documents or any of them.

"Secured Property" means, collectively, the Assigned Property and the Mortgaged Property.

1.2 Facility Agreement

A capitalised term defined in the Facility Agreement shall have the same meaning in this Deed unless otherwise defined herein.

1.3 Interpretation

Clause 1.2 of the Facility Agreement shall apply, *mutatis mutandis*, to this Deed.

2 COVENANT TO PAY

The Owner hereby covenants to pay and discharge all of the Secured Liabilities when due and payable and acknowledge to the Mortgagee that the amount secured by this Deed and in respect of which this Deed and the Security hereby created are enforceable is the full amount of the Secured Liabilities and the Owner hereby covenants with the Mortgagee that the Mortgaged Property is hereby mortgaged and the Assigned Property is hereby assigned and that the Mortgaged Property is so mortgaged and the Assigned Property is so assigned for the full payment, performance and discharge of the Secured Liabilities.

3 MORTGAGE AND CHARGE

3.1 Mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Owner with full title guarantee mortgages to the Mortgagee all its right, title, interest, present and future, in and to the Aircraft.

3.2 Fixed charge

With effect from the date hereof, the Owner with full title guarantee charges the Mortgaged Property by way of first fixed charge to the Mortgagee as continuing security for the Secured Liabilities.

3.3 Priority of mortgage

Each Security created under this Clause 3 (*Mortgage and Charge*) is an Independent Security.

3.4 Replacement Engine / Part

If, in accordance with the terms of this Deed:

- (a) an engine has been substituted for the Engine (a "**Replacement Engine**") then upon title to any Replacement Engine being vested in the Owner in accordance with the Facility Agreement:
 - (i) such Replacement Engine shall upon such substitution become subject to the mortgage created by this Clause 3,
 - (ii) the replaced Engine shall thereupon cease to be subject to the mortgage created by this Clause 3; and
 - (iii) the parties hereto shall sign an addendum to this Deed to document such substitution; or
- (b) a replacement Part has been substituted for a Part (a "**Replacement Part**"), then upon title to the Replacement Part being vested in the Owner in accordance with the Facility Agreement:
 - (i) such Replacement Part shall upon such substitution become subject to the mortgage created by this Clause 3;
 - (ii) the replaced Part shall thereupon cease to be subject to the mortgage created by this Clause 3; and
 - (iii) upon reasonable request by the Mortgagee, the parties thereto shall sign an addendum to this Deed to document such substitution.

3.5 Release of Mortgage

If the Secured Liabilities shall have been unconditionally and irrevocably repaid and discharged in full and provided that no Event of Default has occurred and is continuing the Mortgagee shall (upon written request from, and at the cost of, the Owner) promptly do such acts and execute such documents as the Owner may reasonably require in order to release and discharge the Mortgaged Property (subject to Clause 8.6 (*Conditional Discharge*)).

4 ASSIGNMENT

4.1 Assignment

The Owner hereby assigns the Assigned Property, absolutely and with full title guarantee (by way of security), to and in favour of the Mortgagee, in order to secure the payment, performance and discharge in full of all the Secured Liabilities.

4.2 Re-Assignment

If the Secured Liabilities shall have been unconditionally and irrevocably repaid and discharged in full (as notified to the Owner by the Mortgagee) and provided that no Event of Default shall have occurred and be subsisting at the date of such request, the Mortgagee shall (at the request and cost of the Owner) promptly re-assign to the Owner (subject to Clause 8.6 (*Conditional Discharge*)) the rights, title, benefit and interest in and to the Assigned Property hereby assigned, and shall execute such notices and directions to such other persons as the Owner may reasonably require in order to give effect to such re-assignment.

5 NATURE OF SECURITY AND EFFECTIVENESS

5.1 First-ranking fixed security interests

The parties hereto intend that each of the mortgage under Clause 3.1 and the assignment under Clause 4.1 shall create and constitute an effective first-ranking fixed Security over the Secured Property wheresoever the same may be situate, and under and so far as effective under all applicable laws.

5.2 Effect of security

The Owner and the Mortgagee hereby agree that:

- (a) the mortgage under Clause 3.1 (*Mortgage*) shall come into effect on the date of this Deed;
- (b) the assignment under Clause 4.1 (*Assignment*), in respect of all the Assigned Property other than the Assigned Warranties, shall come into effect on the date of this Deed; and
- (c) the assignment under Clause 4.1 (*Assignment*), in respect of the Assigned Warranties, shall come into effect on the date on which the Owner's right, title and interest in the Aircraft become vested in the Mortgagee (or a nominee of the Mortgagee) pursuant to paragraph (b) of Clause 9.2 (*Powers of Mortgagee*).

6 UNDERTAKINGS AND COVENANTS BY OWNER

6.1 Notices and Acknowledgements

- (a) The Owner shall:
 - (i) on the date of this Agreement, execute and deliver to the addressee thereof a notice in respect of the Insurance Property in the form set out in Part A (*Notice of Assignment of Insurances*) of Schedule 2 (*Notices and Acknowledgments*) and use reasonable endeavours to procure prompt delivery to the Mortgagee of an acknowledgement substantially in the form set out in Part B (*Acknowledgement of Assignment of Insurances*) of Schedule 2 (*Notices and Acknowledgments*), duly executed by the addressee of the notice relating thereto;
 - (ii) in the event of any change of Insurer, or from time to time upon the written request of the Mortgagee, execute and deliver to the relevant addressee a notice in respect of the Insurance Property in the form set out in Part A (*Notice of Assignment of Insurances*) of Schedule 2 (*Notices and Acknowledgments*) and use reasonable endeavours to procure the delivery to the Mortgagee of an acknowledgment substantially in the form set out in Part B (*Acknowledgement of Assignment of Insurances*) of Schedule 2 (*Notices and Acknowledgments*), duly executed by the addressee of each notice relating thereto; and
 - (iii) in the event of an event that will or may lead to the payment of Requisition Compensation, promptly execute and deliver a notice (in form and substance reasonably satisfactory to the Mortgagee) to the relevant entity requisitioning the

Aircraft or any constituent thereof and take all reasonable steps to procure that the requesting authority acknowledges such notice.

- (b) The Owner shall on the date of this Agreement, execute and deliver to the Mortgagee a notice in respect of the Assigned Warranties, in the form set out in Part C (*Notice regarding Warranties*) of Schedule 2 (*Notices and Acknowledgments*). The Owner authorises the Mortgagee to:
 - (i) hold such notice in escrow until the date on which the Owner's right, title and interest in the Aircraft become vested in the Mortgagee (or a nominee of the Mortgagee) pursuant to paragraph (b) of Clause 9.2 (*Powers of Mortgagee*); and
 - (ii) date and to deliver such notice to the addressee of such notice on or following such date and to seek an acknowledgement substantially in the form set out in Part D (*Acknowledgement regarding Warranties*) of Schedule 2 (*Notices and Acknowledgments*), duly executed by the addressee of that notice.

6.2 No Sale or Encumbrance of Secured Property

The Owner covenants and undertakes that throughout the Security Period it shall not without the prior written consent of the Mortgagee (but subject to and without prejudice to the provisions of the Facility Agreement and the other Facility Documents) sell, assign, transfer or otherwise dispose of any of the Secured Property or create or suffer to exist any Security (other than Permitted Security) upon or with respect to any of the Secured Property except for this Deed.

6.3 Amendment of Assigned Property

The Owner hereby undertakes that throughout the Security Period it shall not without the prior written consent of the Mortgagee (but subject to and without prejudice to the provisions of the Facility Agreement and the other Facility Documents) agree to any amendment to or agree to any termination or cancellation of, or take any other action in connection with, any Agreement.

6.4 Rights, Obligations and Liabilities

Notwithstanding anything to the contrary herein contained, the Owner agrees with the Mortgagee and for the benefit of the Mortgagee that:

- (a) it shall at all times remain liable to perform all the duties and obligations expressed to be assumed by it in relation to the Assigned Property to the same extent as if this Deed had not been executed;
- (b) the exercise by the Mortgagee of any of the rights assigned hereunder shall not release the Owner from any of its duties or obligations in relation to the Assigned Property;
- (c) the Mortgagee shall not have any obligation or liability in relation to the Assigned Property by reason of, or arising out of, this Deed;
- (d) the Mortgagee shall not be obliged to perform any of the obligations or duties of the Owner expressed to be assumed by it in relation to the Assigned Property; and
- (e) the Mortgagee shall not be required to make any payment or to make any inquiry as to the sufficiency of any payment received by the Mortgagee or the Owner or to present or file any claim or to take any other action to collect or enforce any claim for any payment assigned hereunder.

7 PERFECTION OF SECURITY AND FURTHER ASSURANCES

7.1 Filings

The parties will each procure that any registrations, filings and/or submissions required under the laws of any jurisdiction (to the extent that the provisions of such laws apply to each of them) are made including, without limitation:

- (a) the registration of the Security created by this Deed as Prospective International Interest or International Interest, as the case may be, at the International Registry;
- (b) the entry of this Deed on the Owner's register of mortgages and charges; and
- (c) the entry of this Deed on the relevant register of the Aviation Authority.

The parties will co-ordinate and co-operate with one another in providing such information and all reasonable assistance to the other as may be reasonably requested in connection with any such registrations, filings and/or submissions. The costs and fees payable in respect of the registrations, filings and submissions referred to above shall be for the account of the Owner.

7.2 Further Assurances

The Owner shall, at its own cost and expense and at the request of the Mortgagee, promptly sign, seal, execute, deliver, acknowledge, file, register and perfect all such assurances, documents, instruments, agreements, certificates and consents and do any and all such acts and things as may be reasonably necessary or desirable or as the Mortgagee may reasonably request from time to time in order to perfect the Security intended to be created by this Deed or to establish, maintain, protect or preserve such Security or the rights of the Mortgagee under this Deed or to enable the Mortgagee to obtain the full benefits of such Security and this Deed and to exercise and enforce its rights and remedies under this Deed in respect of the Secured Property.

7.3 Change of State of Registration

Without prejudice to the generality of Clause 7.1 (*Filings*) and Clause 7.2 (*Further Assurances*), the Owner shall upon the request of the Mortgagee upon a change of the State of Registration, execute in favour of the Mortgagee an aircraft mortgage and/or a power of attorney and/or any other security document (each in such form as the Mortgagee may reasonably request) in relation to the Aircraft and the Aircraft Documents for the purpose of preserving and perfecting the Security to be created hereby.

8 CONTINUING SECURITY

8.1 Continuing Security

Without prejudice to the generality of Clause 2 (*Covenant to Pay*), the Security contained in this Deed are made for securing all amounts that are (or that become) due and payable by the Owner or any other Obligor pursuant to the Facility Documents. This Deed and the Security hereby created shall be continuing security and in particular (without limitation) 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 or any other Obligor (or any other person) and the Mortgagee or any Affiliate or any other act, event or matter whatsoever, except only the execution by the Mortgagee under seal of an absolute and unconditional release of the Security created by this Deed to the Owner and this Deed shall extend to cover any sum or sums of money or other liability and obligations which shall for the time being constitute the balance of the Secured Liabilities until all of the Secured Liabilities have been paid and discharged in full.

8.2 Additional 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 any other Obligor or otherwise) now or from time to time hereafter held by the Mortgagee or any Affiliate in respect of or in connection with any or all of the Secured Liabilities.

8.3 Section 93 of Law of Property Act

Section 93 (Restriction on consolidation of mortgages) of the Law of Property Act 1925 (and any other relevant statutory provision of similar effect) shall not apply.

8.4 Exercise of Rights

The Mortgagee shall not be obliged, before exercising any of the rights, powers or remedies conferred upon it by this Deed or by law, to:

- (a) issue or initiate any proceedings or take action or obtain judgment against the Owner, any other Obligor or any other person in any court or otherwise; or
- (b) make or file a claim or proof in a winding-up, liquidation, bankruptcy, insolvency, dissolution, reorganization or amalgamation of, or other analogous event of or with respect to the Owner, any other Obligor or of any other person; or
- (c) enforce or seek to enforce the payment or performance of, or the recovery of, any of the moneys, obligations and liabilities hereby secured or any other Security, guarantee or other assurance for all or any of the Secured Liabilities.

8.5 Security not Discharged

The Security created by this Deed shall continue in full force and effect and shall not be discharged, impaired or otherwise affected by:

- (a) any failure by the Mortgagee or any other person to take or enforce any other Security, guarantee or other assurance taken or agreed to be taken or given for all or any of the Secured Liabilities or under or pursuant to any Facility Document or otherwise; or
- (b) any time or indulgence given or agreed to be given by the Mortgagee or any other person or any failure or delay by the Mortgagee or any other person in exercising any right, remedy, power or privilege under this Deed, any other Facility Document or any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder; or
- (c) any amendment, modification, variation, supplement, novation, restatement or replacement of all or any part of the Secured Liabilities or any Facility Document; or
- (d) any release or exchange of any Security, guarantee or other assurance now or hereafter held by or enuring to the benefit of the Mortgagee or any other person for all or any part of the Secured Liabilities; or
- (e) any other act, omission, fact, matter, circumstance, event or thing (including, without limitation, the invalidity, unenforceability or illegality of any of the obligations of the Owner or any other Obligor under any Facility Document or the bankruptcy, liquidation, winding-up, insolvency, dissolution, administration, reorganisation or amalgamation of, or other analogous event of or with respect to, the Owner, any other Obligor or any other person) which, but for this provision, might operate to impair, discharge or adversely affect the rights of the Mortgagee or any other person under this Deed, any other Facility Document or to impair, discharge or adversely affect the Security hereby created.

8.6 Conditional Discharge

Any settlement or discharge between the Mortgagee and the Owner and/or any other person shall be conditional upon no payment in favour of the Mortgagee or payment to the Mortgagee by the Owner, any other Obligor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, administration, amalgamation or other analogous event or proceedings for the time being in force.

9 ENFORCEMENT OF SECURITY

9.1 Time of Enforcement

The Secured Liabilities shall become due for the purposes of this Deed and of Section 101 (Powers incident to estate or interest of mortgagee) of the Law of Property Act 1925 (or any other relevant statutory provision of similar effect) upon the occurrence of an Event of Default.

9.2 Powers of Mortgagee

Without prejudice to any of its other rights, whether conferred under any of the Facility Documents or by law generally, immediately upon the Secured Liabilities becoming due and at any time afterwards the Mortgagee shall be entitled:

- (a) to apply to any authority in the country in which the Secured Property or any part thereof is located for an enforcement and attachment order in respect of the Secured Property or any such part thereof;
- (b) to apply to any court of competent authority for an order for foreclosure absolute so as to vest all the Owner's right, title and interest in the Secured Property in the Mortgagee;
- (c) to take possession of the Secured Property and for that purpose to enter upon any premises where the Secured Property may be located;
- (d) to sell, call in, collect and convert into money the Secured Property by public or private contract at any place in the world, with or without advertisement or notice to the Owner or any other person in relation to any private contract, with all such powers in that respect as are conferred by law; and:
 - (i) by way of extension thereof, such sale, calling in, collection and conversion shall be for the best price reasonably available at the time of sale, calling in, collection or conversion and may be made for such consideration as the Mortgagee in its sole and absolute discretion shall deem reasonable having regard to the amount of the Secured Liabilities (whether the same shall consist of cash or shares or debentures in some other company or companies or other property of whatsoever nature or partly of one and partly of some other species of consideration, and whether such consideration shall be presently payable or by instalments or at some future date, and whether such deferred or further payments shall be secured or not) in all other respects in such manner as the Mortgagee shall in its sole and absolute discretion think fit and without being liable to account for any loss of or deficiency in such consideration;
 - (ii) section 103 (Regulation of exercise of power of sale) of the Law of Property Act 1925 shall not apply to this Deed or to the power of sale, calling in, collection or conversion hereinbefore contained; and

- (iii) for the purposes of this Clause 9.2, the Mortgagee may (in its sole and absolute discretion) by notice appoint the Owner or any other person as its non-exclusive agent to sell the Secured Property on terms satisfactory to the Mortgagee;
- (e) to repair and keep in repair the Secured Property;
- (f) to insure the Secured Property against loss or damage in such sums and for such risks as the Mortgagee shall in its sole and absolute discretion think fit;
- (g) to lease or charter the Aircraft for such terms, at such rents and generally in such manner and upon such conditions and stipulations as the Mortgagee in its sole and absolute discretion thinks fit;
- (h) to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the Secured Property or in any way relating to this Deed and execute releases or other discharges in relation thereto;
- (i) 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;
- (j) to execute and do all such acts, deeds and things as the Mortgagee may in its sole and absolute discretion consider necessary or proper for or in relation to any of the purposes aforesaid; and
- (k) to appoint a Receiver of all or any part of the Secured Property upon such terms as to remuneration and otherwise as the Mortgagee shall deem fit; and the Mortgagee may from time to time remove any Receiver so appointed and appoint another in his place; and to fix (at or after the time of his appointment) the remuneration of any such Receiver. A Receiver so appointed shall be the agent of the Owner and the Owner shall be liable for such Receiver to the exclusion of liability on the part of the Mortgagee. Nothing herein contained shall render the Mortgagee liable to any such Receiver for his remuneration, costs, charges or expenses or otherwise.

9.3 Law of Property Act 1925

Sections 109(6) and 109(8) (Appointment, powers, remuneration and duties of receiver) of the Law of Property Act 1925 shall not apply in relation to any Receiver appointed under Clause 9.2 (*Powers of Mortgagee*).

9.4 Other Powers

Notwithstanding any other provision of this Deed and without limiting, and as an addition to, the powers conferred upon the Mortgagee (and any Receiver appointed pursuant to Clause 9.2 (*Powers of Mortgagee*)) by the laws of England or of any other jurisdiction, the Mortgagee or the Receiver (as the case may be) may, at any time after the occurrence of an Event of Default which is continuing, exercise against or in respect of the Owner and/or the Secured Property any of the rights, powers, privileges or discretions conferred from time to time by any applicable law, domestic or foreign.

9.5 Quiet Enjoyment

The Mortgagee agrees that, provided that no Event of Default has occurred and is continuing, neither it nor any person lawfully claiming through it shall take any action to disturb, interfere or impair the quiet use, possession and enjoyment of the Aircraft by the Owner. The exercise and enforcement by the Mortgagee of its rights in accordance with any Facility Documents or if required by applicable laws shall not constitute such interference.

10 DELEGATION BY MORTGAGEE

The Mortgagee shall be entitled at any time and as often as it may deem expedient to delegate all or any of the powers, rights, remedies and discretions vested in it by or in connection with this Deed in such manner, upon such terms and to such persons as the Mortgagee in its absolute discretion may think fit.

11 POWERS OF RECEIVER

11.1 Powers of Receiver

Any Receiver appointed under Clause 9.2 (*Powers of Mortgagee*) shall have all the powers conferred on a receiver by law (save that Section 103 (Regulation of exercise of power of sale) of the Law of Property Act 1925 or any other relevant statutory provision of similar effect shall not apply) and, by way of addition to (but without limiting) those powers:

- (a) the Receiver shall have all the powers given to the Mortgagee hereunder of taking possession of, calling in, collecting, converting into money and selling, leasing and dealing with the Secured Property or any part thereof and generally shall be entitled to the same protection and to exercise the same powers and discretions as are given to the Mortgagee hereunder, and shall also have such other of the powers and discretions given to the Mortgagee hereunder as the Mortgagee may from time to time confer on him;
- (b) the remuneration of the Receiver may be fixed by the Mortgagee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise), but shall be payable by the Owner and the amount of such remuneration may be debited by the Mortgagee from any amounts held, assigned or charged in favour of the Mortgagee pursuant to the Facility Documents but shall, in any event, be secured on the Secured Property under this Deed;
- (c) the Receiver shall have power to make any payment and incur any expenditure which the Mortgagee is, by this Deed, expressly or impliedly authorised to make or incur. Any expenses incurred by the Receiver in the exercise of any of its powers hereunder may be paid or retained by him out of any moneys coming into his hands as receiver or may be paid by the Mortgagee in which case they shall be treated as expenses properly incurred by the Mortgagee;
- (d) the Receiver shall in the exercise of his powers, authorities and discretions conform with the reasonable directions from time to time made and given by the Mortgagee;
- (e) the Mortgagee may at any time require security to be given for the due performance of the Receiver's duties as receiver at the cost of the Owner; and
- (f) the Mortgagee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as receiver.

11.2 No Liability as Mortgagee in Possession

None of the Indemnities (including any Affiliate) nor the Receiver shall be liable to account as a mortgagee in possession of the Mortgaged Property and neither the Mortgagee nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Mortgaged Property or otherwise for any act, neglect, default or omission for which a mortgagee in possession might be liable as such, and if and whenever the Mortgagee enters into possession of the Mortgaged Property, it shall be entitled at any time thereafter which it thinks fit to go out of such possession.

11.3 Other Powers of Receiver

The foregoing powers of a Receiver shall be in addition to any statutory or other powers of the Mortgagee under the Law of Property Act 1925 and of a receiver under the Insolvency Act 1986 (as amended by the Enterprise Act 2002) and the Receiver shall, in any event, have and be entitled to exercise all the rights, powers and remedies conferred upon the Mortgagee by this Deed and by law with respect to the Secured Property.

12 PROTECTION OF THIRD PARTIES

12.1 Protection of Third Parties

No persons dealing with the Mortgagee or any Receiver shall be concerned to enquire whether an Event of Default has occurred or whether the powers which the Mortgagee or such Receiver is purporting to exercise have become exercisable or whether any money remains due on any Security created by this Deed or otherwise as to the propriety, validity or regularity of any sale or other dealing (or exercise of such power) by the Mortgagee or such Receiver with the Secured Property, and all the protections to purchasers conferred by law shall apply to such persons dealing with the Mortgagee or such Receiver.

12.2 Receipts

The receipt by the Mortgagee or such Receiver of the purchase moneys shall absolutely and conclusively discharge the purchaser who shall not be concerned with the manner of application of the same or be in any way answerable therefor.

12.3 Meaning of "purchaser"

In Clause 12.1 (*Protection of Third Parties*) and Clause 12.2 (*Receipts*), "**purchaser**" includes any person acquiring, for money or money's worth, any lease of, or Security over, or any other interest or right whatsoever in relation to the Secured Property.

13 POWER OF ATTORNEY

13.1 Power of Attorney

The Owner, by way of security for the full and punctual payment, performance and discharge of the Secured Liabilities, irrevocably appoints the Mortgagee to be its true and lawful attorney (with full power of substitution and delegation) to take any action which the Owner is obliged to take under or pursuant to this Deed or entitled to take in respect of the Secured Property **provided that** the Mortgagee shall not exercise the power of attorney granted hereunder until the occurrence of an Event of Default which is continuing.

13.2 No Obligation to Exercise Power

The Mortgagee shall not have any obligation to exercise any of the powers hereby conferred upon it or to make any demand or enquiry as to the nature or sufficiency of any payment received by it with respect to the Secured Property. No action taken by or omitted to be taken by the Mortgagee in the proper exercise of the power conferred on it pursuant to Clause 13.1 (*Power of Attorney*) shall give rise to any defence, counterclaim or set-off in favour of the Owner or otherwise affect any of the Secured Liabilities.

13.3 Ratification

The power hereby conferred shall be a general power of attorney under the Powers of Attorney Act 1971 and the Owner shall ratify and confirm and agree to ratify and confirm, any deed, assurance, agreement, instrument, act or thing which the Mortgagee may execute or do in the proper exercise of such power.

14 APPLICATION OF PROCEEDS

All proceeds of any enforcement of this Deed (whether pursuant to Clause 9.2 (*Powers of Mortgagee*) or otherwise) shall be applied by the Mortgagee in or towards discharge of the Secured Liabilities in accordance with Clause 24.2 (*Application of Receipts; Partial Payments*) of the Facility Agreement.

15 EXPENSES AND INDEMNITIES**15.1 Indemnities**

The Owner hereby agrees to indemnify on demand, and hold harmless, the Mortgagee, the Receiver and every attorney, manager, agent or other person appointed by the Mortgagee or the Receiver, in respect of all Losses from time to time suffered or incurred by any of them (except to the extent arising as a result of the fraud, gross negligence or wilful misconduct of such indemnitee):

- (a) in the execution or purported execution of any rights, powers, remedies, authorities or discretions vested in any of them by or pursuant to this Deed, or otherwise in connection with the performance of this Deed or any documents required pursuant hereto or any consent, waiver, amendment, supplement or approval which may be required or requested under this Deed, or in enforcing or endeavouring to enforce any provisions of this Deed or the Security constituted hereby; or
- (b) by reason of any failure of the Owner to perform any of its obligations pursuant to the Facility Agreement, this Deed or any other Facility Document.

15.2 Mortgagee's Right to Remedy

If at any time the Owner fails to do any act which it is obliged to do hereunder or to make any payment which it is obliged to make hereunder (other than a payment to the Mortgagee), the Mortgagee may (but shall not be bound to) do such act or procure its doing or make such payment itself having given prior written notice to the Owner to the extent it is reasonably practicable to do so and provided that any failure to give such notice shall not affect the Mortgagee's rights to do such act or procure its doing or make such payment. The Owner shall pay to the Mortgagee on demand the amount of payment made or Losses incurred by the Mortgagee in doing any act pursuant to this Clause 15.2 together with a payment in respect of such amount or Losses calculated in accordance with clause 8.4 (*Late Payment*) of the Facility Agreement.

16 SUCCESSORS IN TITLE

- (a) This Deed shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and assigns.
- (b) The Owner shall not be entitled to assign or transfer any of its rights, benefits or obligations hereunder without the prior written consent of the Mortgagee.
- (c) The Mortgagee may at any time during the Security Period assign or transfer its rights and/or obligations (whether by way of security or otherwise) under this Deed to an assignee or transferee.

17 GOVERNING LAW

This Deed (including any non-contractual obligations arising out of or in connection with the same) shall be governed by, and construed in accordance with, English law.

18 OTHER PROVISIONS

Clauses 26 (*Notices*) and 34 (*Enforcement*) of the Facility Agreement shall apply mutatis mutandis to this Deed as if references therein to "the Facility Documents" were references to this Deed.

IN WITNESS whereof this Deed has been executed by the Owner as a deed and the Mortgagee has executed this Deed under hand, and is intended to be and is hereby delivered on the date first above written.

SCHEDULE 1
DESCRIPTION OF AIRCRAFT

Aircraft

Manufacturer:	Pilatus Aircraft Ltd, a Swiss company, of P.O. Box 992, 6371 Stans, Switzerland
Model:	PC-12/47E
Serial Number:	1346

Engine

Manufacturer:	Pratt & Whitney Canada
Model:	PT6A-67P
Serial Number:	PCE-RY0357

SCHEDULE 2

NOTICES AND ACKNOWLEDGMENTS

PART A

NOTICE OF ASSIGNMENT OF INSURANCES

From: 3FS Aviation Limited
Great Trippetts
Rake Road
Milland
Liphook
Hampshire
England
GU30 7JX

To: Hayward Aviation Limited
The St Botolph Building
138 Houndsditch
London EC3A 7AW
United Kingdom

Date: [●]

Dear Sirs

One (1) Pilatus PC-12/47E aircraft bearing manufacturer's serial number 1346 and registration mark M-GETS (the "Aircraft")

We hereby notify you that pursuant to a mortgage and security agreement dated [●] between us and Bank of London and The Middle East plc (the "**Mortgagee**"), we have assigned by way of security to the Mortgagee all of our rights, title and interest in and to the proceeds of the contracts and policies of insurance effected from time to time in respect of or relating to the Aircraft or any part thereof (other than third party liability insurances) and all benefits of, and all claims under, such contracts and policies of insurance (but for the avoidance of doubt, not the contract or policies of insurances themselves (such proceeds and benefits together, the "**Insurance Property**").

Please acknowledge receipt of, and the contents of, this notice by signing the copy of the acknowledgment attached hereto and delivering one signed copy thereof to us and one signed copy thereof to the Mortgagee.

Yours faithfully



For and on behalf of
3FS Aviation Limited

PART B

ACKNOWLEDGEMENT OF ASSIGNMENT OF INSURANCES

From: Hayward Aviation Limited
The St Botolph Building
138 Houndsditch
London EC3A 7AW
United Kingdom

To: Bank of London and The Middle East plc
Sherborne House
119 Cannon Street
London
EC4N 5AT
United Kingdom

Date: [●]

Dear Sirs

One (1) Pilatus PC-12/47E aircraft bearing manufacturer's serial number 1346 and registration mark M-GETS (the "Aircraft")

We acknowledge receipt of, and the contents of, a Notice of Assignment (the "Notice") on or about the date hereof relating to a mortgage and security agreement dated [●] between yourselves (as assignee) and 3FS Aviation Limited (as assignor).

We confirm that we have received no previous notices of assignment in relation to the right, title and interest of 3FS Aviation Limited in and to the insurances to the extent therein mentioned.

Capitalised terms used in the Notice shall have the same meaning herein unless otherwise defined.

Yours faithfully

For and on behalf of
Hayward Aviation Limited

PART C
NOTICE REGARDING WARRANTIES

From: 3FS Aviation Limited
Great Trippetts
Rake Road
Milland
Liphook
Hampshire
England
GU30 7JX

And: Bank of London and The Middle East plc
Sherborne House
119 Cannon Street
London
EC4N 5AT
United Kingdom

To: Pilatus Aircraft Ltd.
CH-6371 Stans
Switzerland

Date: [●]

Dear Sirs

One (1) Pilatus PC-12/47E aircraft bearing manufacturer's serial number 1346 and registration mark M-GETS (the "Aircraft")

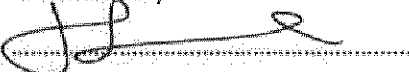
Pilatus Aircraft Purchase Agreement dated 15 August 2008 and entered into between Pilatus Aircraft Ltd. (as seller) and Air Winton Ltd. (now called 3FS Aviation Limited, as purchaser) and the Pilatus PC-12 New Aircraft Limited Warranty Policy appended to it (together, the "Contract")

We hereby notify you that pursuant to a mortgage and security agreement dated [●] between 3FS Aviation Limited (the "Original Owner") and Bank of London and The Middle East plc (the "Mortgagee"):

1. all the Original Owner's right, title and interest in the Aircraft have become vested in the Mortgagee (or a nominee of the Mortgagee) and the Mortgagee (or the Mortgagee's nominee) is the new owner of the Aircraft; and
2. the Original Owner has assigned by way of security to the Mortgagee all of its rights, title and interest in and to all the remaining warranties as set out in the Contract in so far as the same relate to the Aircraft (the "Warranties").

Please acknowledge receipt of, and the contents of, this notice by signing the copy of the acknowledgment attached hereto and delivering one signed copy thereof to us and one signed copy thereof to the Mortgagee.

Yours faithfully



For and on behalf of
3FS Aviation Limited

For and on behalf of
Bank of London and The Middle East plc

PART D

ACKNOWLEDGEMENT REGARDING WARRANTIES

From: Pilatus Aircraft Ltd.
CH-6371 Stans
Switzerland

To: Bank of London and The Middle East plc
Sherborne House
119 Cannon Street
London
EC4N 5AT
United Kingdom

Date: [●]

Dear Sirs

One (1) Pilatus PC-12/47E aircraft bearing manufacturer's serial number 1346 and registration mark M-GETS (the "Aircraft")

Pilatus Aircraft Purchase Agreement dated 15 August 2008 and entered into between Pilatus Aircraft Ltd. (as seller) and Air Winton Ltd. (now called 3FS Aviation Limited, as purchaser) and the Pilatus PC-12 New Aircraft Limited Warranty Policy appended to it (together, the "Contract")

We acknowledge receipt of, and the contents of, a Notice of Assignment (the "Notice") dated on or about the date hereof relating to a mortgage and security agreement dated [●] between yourselves (the "Mortgagee") and 3FS Aviation Limited (the "Original Owner").

We confirm that we have received no previous notices of assignment in relation to the right, title and interest of the Original Owner in and to the Contract and/or the Warranties.

We confirm that we will recognise the Mortgagee's (or the Mortgagee's nominee's) rights as the new owner of the Aircraft and will act in accordance with the requirements of the "Assignment of Warranty" section of the Contract in relation those rights.

Capitalised terms used in the Notice shall have the same meaning herein unless otherwise defined.

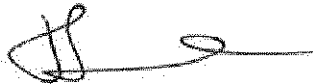
Yours faithfully

.....
**For and on behalf of
Pilatus Aircraft Ltd.**

EXECUTION PAGE

OWNER

EXECUTED AS A DEED
by 3FS AVIATION LIMITED
acting by
and
in the presence of:

) 
)
)
)

Witness' signature:
Witness' name:
Witness' address:

) Jane E Althaus
) JANE E ALTHAUS
) 23 GUILLARDS OAK
MIDHURST
W. SUSSEX GU29 9JZ

MORTGAGEE

EXECUTED AS A DEED
by BANK OF LONDON AND THE MIDDLE EAST PLC
acting by
and
in the presence of:

)
)
)
)
)

Witness' signature:
Witness' name:
Witness' address:

)
)
)

EXECUTION PAGE

OWNER

EXECUTED AS A DEED
by 3FS AVIATION LIMITED
acting by
and
in the presence of:

Witness' signature:
Witness' name:
Witness' address:

MORTGAGEE

EXECUTED AS A DEED
by BANK OF LONDON AND THE MIDDLE EAST PLC
acting by *RICHARD WILLIAMS*
and
in the presence of:

Witness' signature:
Witness' name:
Witness' address:

J.M. Crowley
Joseph Crowley
BANK OF LONDON AND THE
MIDDLE EAST PLC
12 MANCHESTER SQ.
LONDON
W1U 3PP

