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COMPANIES FORM No. 395

Particulars of a mortgage or charge

00400074
395

Please do not write
in this margin

Pursuant to section 395 of the Companies Act 1985

CHA 267

Please complete
legibly, preferably
in black type, or
bold block
lettering

To the Registrar of Companies

For official use

Company number

464648

128

Name of company

* British Midland Airways Limited (the "Company")

* insert full name
of company

Date of creation of the charge

23 July 2001

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

Aircraft Mortgage relating to an Embraer 145 EP Aircraft Manufacturer's Serial No. 145442
Registration Mark G-RJXH (the "Mortgage")

Amount secured by the mortgage or charge

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

✓
Norton Rose
Kempson House
Cannonmole Street
London EC3A 7AN

JPE/AA13373/M395formNo2.doc

Time critical reference

For official Use
Mortgage Section

Post room



LD5
COMPANIES HOUSE

0497
08/08/01

Amount secured by the mortgage or charge

The "Secured Obligations", being any and all of the obligations of the Company (whether or not for payment of money, and including any obligation to pay damages for breach of contract) which are now or at any time owed to the Facility Agent, the Security Agent or any Bank under or by virtue of the Mortgage, the Facility Agreement and all other Relevant Documents.

"Facility Agent" means Bankgesellschaft Berlin AG;

"Security Agent" means Bankgesellschaft Berlin AG as security agent and trustee for the Banks (in such capacity and for the avoidance of doubt in no other capacity);

"Banks" means Bankgesellschaft Berlin AG, Hamburgische Landesbank - Girozentrale, and The Royal Bank of Scotland plc;

"Facility Agreement" means a multicurrency secured aircraft facility agreement dated 17 July, 2001 between, amongst others, the Company as borrower, the Facility Agent, the Security Agent as security agent and trustee and the Banks, as lenders;

"Relevant Documents" means the Facility Agreement, each Purchase Agreement, Utilisation Document and any other document at any time entered into pursuant to any of the above to which either agent or the Banks are parties;

"Purchase Agreement" means an agreement between the Company or an Approved Vehicle and the Manufacturer whereby the Company or such Approved Vehicle agrees to pay and the Manufacturer agrees to sell an Aircraft;

"Approved Vehicle" means either an English Vehicle or a Non-English Vehicle;

"English Vehicle" means a subsidiary of the Company or of the holding company of the Company which is incorporated in England or another person owned or controlled, as a matter of fact, of the Company or the holding company of the Company established or constituted under English law;

"Non-English Vehicle" means a person approved by the Banks which is not an English Vehicle or Third Party Lessor, which is incorporated, established or constituted, and resident in a jurisdiction which would permit the Applicable Principles (Clause 7.11 of the Facility Agreement) to be complied with in respect of the Utilisation;

"Third Party Lessor" means a person other than the Company or an Approved Vehicle which is the owner or intermediate lessor of an Aircraft which is leased to the Company or an Approved Vehicle by a Lease;

"Lease" means the agreement whereby the use of a relevant Aircraft is provided directly or indirectly by the Company;

"Utilisation" means the amount in dollars, sterling or euro, as the case may be, appropriated by the Company, pursuant to Clause 7 (Utilisation Procedures) of the Facility Agreement, to finance or refinance an Aircraft, such financing to be structured at the Company's option in

Amount secured by the mortgage or charge

any one of the alternative manners set out;

"Manufacturer" means Embraer-Empresa Brasileira de Aeronáutica S.A. ("Embraer");

"Utilisation Document" means, in relation to a Utilisation, all the documents executed pursuant to Clause 7.2 of the Facility Agreement in relation to such Utilisation and any documents subsequently executed in relation to such Utilisation and/or such Aircraft in accordance with the provisions hereof and/or of any other Relevant Document

"An Aircraft" means (in this section only):

(a) any of the five (5) Embraer 145 EP regional jet aircraft (the "Embraer 145 Aircraft") referred to in the Seventh Schedule in the Facility Agreement, as such aircraft are more particularly defined in the purchase agreement dated 19 March 1999 between the Company and the Manufacturer, as amended from time to time; and

(b) any of the four (4) Embraer 135 ER regional jet aircraft (the "Embraer 135 Aircraft") referred to in the Seventh Schedule of the Facility Agreement, as such aircraft are more particularly defined in the purchase agreement dated 19 March 1999 between the Company and the Manufacturer, as amended from time to time,

which have been financed by a Utilisation under the Facility Agreement, including the Engines and the Technical Records for such Aircraft;

"An Engine" or "the Engines" means (in this section only):

(i) in relation to an Embraer 145 Aircraft, each of the two AE 3007A engines which shall be contracted to be purchased as part of such Aircraft under the relevant Purchase Agreement; and

(ii) in relation to an Embraer 135 Aircraft, each of the two AE 3007 A3 engines which shall be contracted to be purchased as part of such Aircraft under the relevant Purchase Agreement;

in each case, each Replacement Engine which may, in accordance with the provisions of the Utilisation Documents relating to such Aircraft, from time to time be substituted for any such engine;

"Replacement Engine" means any series AE 3007A engine which is substituted for an Engine, in accordance with Clause 13 of Part 2 of the Facility Agreement;

"Technical Records" means in relation to an Aircraft or any part thereof, all technical data, manuals, logbooks and other records (whether kept or to be kept in compliance with any regulation of the Aviation Authority for such Aircraft or otherwise and including without limitation any records maintained on computer files, CD Rom, or in other storage or record keeping media) relating to such Aircraft or part thereof;

"Aviation Authority" means in relation to an Aircraft, all and any of the authorities, government departments, committees or agencies which under the laws of the State of

Amount secured by the mortgage or charge

Registration of the Aircraft, may from time to time:

- (i) have control or supervision of civil aviation in that state; or
- (ii) have jurisdiction over the registration, airworthiness or operation of, or other matters relating to the Aircraft;

"State of Registration" means in relation to an Aircraft, the United Kingdom or any other state or territory in which the Aircraft is, in accordance with the provisions of the Relevant Documents, registered from time to time;

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

Bankgesellschaft Berlin AG
1 Crown Court
Cheapside
London EC2V 6LR

Short particulars of all the property mortgaged or charged

1. All of the Company's right, title and interest, present and future in and to the Aircraft by way of first priority legal mortgage; provided that in the event that (a) the Aircraft Utilisation, together with accrued interest thereon and all other amounts outstanding in relation to the Aircraft have been repaid in full and (b) no Event of Default has occurred which is continuing, the Security Agent shall, at the cost of the Company, release and discharge the aircraft from the security constituted by the Mortgage;

Provided that:

1.1 If in accordance with the Facility Agreement, a Replacement Engine has been substituted for an Engine then (i) such Replacement Engine shall upon such substitution become subject to this Mortgage and (ii) subject thereto, such replaced Engine shall thereupon cease to be subject to the Mortgage;

1.2 If in accordance with the Facility Agreement, a replacement part has been substituted for a part, then (i) such replacement part shall upon such substitution become subject to the Mortgage and (ii) subject thereto, such replaced part shall thereupon cease to be subject to the Mortgage.

2. All right, title and interest, present and future of the Company in and to the Insurances (but excluding any liability insurances) in relation to the Aircraft (and all benefits thereof);

3. All right, title and interest, present and future, of the Company in and to all Requisition Compensation that may become payable to the Company in relation to the Aircraft;

"The Aircraft" means the Airframe with the Engines and the Technical Records;

Short particulars of all the property mortgaged or charged

"The Airframe" means the Embraer 145 EP aircraft (msn 145442 and Registration Mark G-RJXH) purchased by the Company (excluding Engines), and all parts installed;

"The Engines" means the engines installed on the Aircraft (Make and Model AE 3007A; msn - Position 1: 311773, Position 2: 311809) and each Replacement Engine;

"The Aircraft Utilisation" means the utilisation in the original amount of \$15,130,000 made on 23 July, 2001 with respect to the Aircraft;

"Insurances" means in relation to the Aircraft, (i) all policies and contracts of insurance (including any reinsurances) taken out in respect of the Aircraft, and (ii) all the benefits of such policies and contracts of insurance including all claims of whatsoever nature thereunder and returns of premium in respect thereof;

"Event of Default" means any of those events specified in clause 21.1 of the Facility Agreement;

"Requisition Compensation" means all moneys or other compensation from time to time payable in respect of any requisition for title, confiscation, restraint, detention, forfeiture or any compulsory acquisition or seizure (other than a requisition for hire) by or under order of any government (whether civil, military or de facto) or public or local authority.

Important Note:

The Company has covenanted that the mortgaged property is not and shall not during the term of this Mortgage be subject to any security interest other than Permitted Liens (as such are described in the Facility Agreement);

The Company has covenanted with the Security Agent that at all times during the length of the Mortgage it shall not knowingly do or permit to be done any act or thing which might jeopardise the rights of the Security Agent in the Mortgaged Property.

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Norton Rose

Date *8 August 2001*

On behalf of **Mortgagee/Chargee**

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.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00464648

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN AIRCRAFT MORTGAGE BETWEEN THE COMPANY AND BANKGESELLSCHAFT BERLIN AG (AS SECURITY AGENT AND TRUSTEE FOR THE BANKS) DATED THE 23rd JULY 2001 AND CREATED BY BRITISH MIDLAND AIRWAYS LIMITED FOR SECURING THE OBLIGATIONS OF THE COMPANY WHICH ARE NOW OR AT ANY TIME OWED TO THE FACILITY AGENT, THE SECURITY AGENT OR ANY BANK UNDER OR BY VIRTUE OF THE MORTGAGE, THE FACILITY AGREEMENT AND ALL OTHER RELEVANT DOCUMENTS WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 8th AUGUST 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 13th AUGUST 2001.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

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