



CHFP041

COMPANIES FORM No. 395

A/C 00400071

395**Particulars of a mortgage or charge**

Pursuant to section 395 of the Companies Act 1985

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.Please do not
write in
this marginPlease complete
legibly, preferably
in black type or
bold block
lettering* Insert full name
of company

To the Registrar of Companies

(Address overleaf - Note 6)

For official use Company number

69

01966273

Name of company

* First Choice Airways Limited (previously known as Air 2000 Limited) (the *Owner*)

Date of creation of the charge

2 December 2003

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

Engine Mortgage in relation to one CFM56-5B3P aircraft engine with manufacturer's serial number 779384 between the Owner (as mortgagor) and Fortis Bank (Nederland) N.V. (the *Mortgagee*) (the *Mortgage*).

Amount secured by the mortgage or charge

All moneys, liabilities and obligations which are at the date of the Mortgage or at any time thereafter may be due, owing or payable by the Owner, actually or contingently, solely or jointly and/or severally with another or others, as principal or surety, on any account whatsoever pursuant to the Loan Agreement or the Mortgage or any other Transaction Document, or as a consequence of any breach, non-performance, disclaimer or repudiation by the Owner (or by any liquidator, receiver, administrative receiver, administrator or any similar officer of the Owner) of any of its obligations under the Loan Agreement or the Mortgage or any other Transaction Document and (except as expressly otherwise provided) references to the Secured Obligations include references to any of them (the *Secured Obligations*).

Capitalised terms not defined herein have the same meanings given to them in the Schedule of Defined Terms attached to this Form 395.

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

Fortis Bank (Nederland) N.V., Blaak 555, 3011 GB, Rotterdam, The Netherlands.

Postcode

Presentor's name, address and
reference (if any):FRESHFIELDS BRUCKHAUS
DERINGER
65 FLEET STREET, LONDON
ENGLAND EC4Y 1HS
DX 23 LONDON/CHANCERY LANEFor official use
Mortgage sectionLD2
COMPANIES HOUSE0181
12/12/03

Time critical reference

Short particulars of all the property mortgaged or charged

As a continuing security for the payment and discharge of the Secured Obligations, the Owner with full title guarantee:

(a) mortgages to the Mortgagee absolutely, all its rights, title and interest, present and future, in and to the Engine and all Technical Records; and

(b) assigns and agrees to assign to the Mortgagee, all rights, title and interest, present and future, to, and in:

(i) all proceeds arising under any and all Insurances in respect of all risks of physical loss or damage (including, but not limited to, war risks) effected in relation to the Engine; and (ii) the Warranties.

Capitalised terms not defined herein have the same meanings given to them in the Schedule of Defined Terms attached to this Form 395.

Please do not write in this margin

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

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Particulars as to commission allowance or discount (note 3)

Nil.

Signed Freshfields Bruckhaus Deringer Date 12 December 2003

On behalf of [company] [mortgagee/chargee]*

*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. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF4 3UZ.

Form 395 Continuation Sheet

Schedule of Defined Terms

Accession Certificates means the certificates relating to the Engines Agreements and executed or to be executed by or on behalf of the Mortgagee and each other party to the Engines Agreements;

Acknowledgement of Assignment of Insurances means the acknowledgement of the assignment of insurances created by the Mortgage, in the form attached to the Loan Agreement Amendment Letter as Schedule 1, Part B;

Aviation Authority means the Civil Aviation Authority of the United Kingdom;

Engine means:

- (a) the CFM International CFM56-5B3P engine (whether installed on an aircraft at the date hereof or not) with manufacturer's serial number 779384; and
- (b) all Parts installed on or attached to the Engine on the date of the Mortgage for so long as such items remain the property of the Owner in accordance with the provisions of any of the Transaction Documents, and all substitutions, renewals and replacements from time to time made in or to such Parts or installed in or on such Engine;

Engines Agreements means the Airbus A321 Aircraft Engines (Recognition of Rights) Agreement for Air 2000 Limited dated 21 October 1999 and the Engines Agreement for Air 2000 Limited and Canada 3000 Airlines Limited for Airbus A320 Aircraft dated 8 April 1992;

Engine Manufacturer means CFM International S.A.;

Engine Manufacturer's Consent means the consent of the Engine Manufacturer to the assignment of the Warranties in respect of the Engine, in form and substance satisfactory to the Mortgagee;

Insurances means the insurances (including any reinsurances but excluding any third party liability insurances), obtained by the Owner in respect of the Engine pursuant to clause 9 of the Loan Agreement;

Loan Agreement means the loan agreement dated 26 February 2000 between the Owner, as borrower, and the Mortgagee, as lender, in relation to the financing of the Engine (as amended by the Loan Agreement Amendment Letter and as further amended and supplemented from time to time);

Loan Agreement Amendment Letter means the amendment letter in respect of the Loan Agreement dated 31 October 2003 between the Owner and the Mortgagee;

Notice of Assignment of Insurances means the notice of assignment of insurances created by the Mortgage, in the form attached to the Loan Agreement Amendment Letter as Schedule 1, Part A;

Parts means any auxiliary power unit, appliance, part, spare part, instrument, appurtenance, accessory, furnishing or other equipment of whatsoever nature (other than the complete Engine);

Supplemental Letter means the supplemental letter dated 2 December 2003 between the Owner and the Mortgagee relating to the Loan Agreement Amendment Letter;

Technical Records means all technical data, manuals, logbooks or other records (whether kept or to be kept in compliance with any regulation of the Aviation Authority or otherwise and including without limitation any records maintained on computer files) relating to the Engine;

Transaction Documents means the Loan Agreement, the Mortgage, the Accession Certificates, the Engine Manufacturer's Consent, the Engines Agreements, each "Accession Certificate" and "Third Party Acknowledgement" entered into from time to time pursuant to the Engines Agreements and any agreement, document, deed, notice, acknowledgement or certificate executed or issued pursuant to any of the foregoing, including the Loan Agreement Amendment Letter, the Supplemental Letter, the Notice of Assignment of Insurances and the Acknowledgement of Assignment of Insurances; and

Warranties means any and all warranties and indemnities, whether express or implied, made at any time in respect of the Engine or any Part thereof by any manufacturer, sub-contractor, repairer, maintainer or supplier thereof.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01966273

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN ENGINE MORTGAGE (IN RELATION TO ONE CFM56-5B3P AIRCRAFT ENGINE WITH MANUFACTURER'S S/N 779384) DATED THE 2nd DECEMBER 2003 AND CREATED BY FIRST CHOICE AIRWAYS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO FORTIS BANK (NEDERLAND) N.V. 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 12th DECEMBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 16th DECEMBER 2003.

Den -



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES