

003508/13

In accordance with  
Sections 859A and  
859J of the Companies  
Act 2006

# MR01

## Particulars of a charge



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 online.  
Please go to [www.companieshouse.gov.uk](http://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

For further information, please  
refer to our guidance at  
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

COMPANIES HOUSE

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 scanned and placed on the public record

WEDNESDAY



A09

\*A28Y3CJV\*

22/05/2013

#66  
For official use

### 1 Company details

Company number 0 5 1 2 4 0 6 1

Company name in full FLIGHT ACADEMY (GYROCOPTERS) LTD

→ 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 2 0 0 5 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 CLOSE BROTHERS LIMITED

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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4	<b>Description</b>	
	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.	<b>Continuation page</b> Please use a continuation page if you need to enter more details
Description	One (1) Robinson R22 aircraft, bearing manufacturers serial number 0139 with registration mark G-BLDK and one (1) Lycoming O-320-B2C engine with serial number L-12547-39A	
5	<b>Fixed charge or fixed security</b>	
	<p>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</p> <p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>	
6	<b>Floating charge</b>	
	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> <b>Yes</b> Continue</p> <p><input type="checkbox"/> <b>No</b> Go to <b>Section 7</b></p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input type="checkbox"/> <b>Yes</b></p>	
7	<b>Negative Pledge</b>	
	<p>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</p> <p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>	

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Trustee statement <sup>1</sup>

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

☐

<sup>1</sup>This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X


*Paul*


X

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

# MR01 .


## Particulars of a charge


	<b>Presenter information</b>
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	CAROLINE SHAW
Company name	CLOSE BROTHERS LIMITED T/A
	CLOSE BROTHERS AVIATION & MARINE
Address	10TH FLOOR, TOLWORTH TOWER
Post town	SURBITON
County/Region	SURREY
Postcode	K T 6 7 E L
Country	UK
DX	
Telephone	02083909444

	<b>Certificate</b>
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.	


	<b>Checklist</b>
We may return forms completed incorrectly or with information missing.	

Please make sure you have remembered the following:	
<input type="checkbox"/>	The company name and number match the information held on the public Register
<input type="checkbox"/>	You have included a certified copy of the instrument with this form
<input type="checkbox"/>	You have entered the date on which the charge was created
<input type="checkbox"/>	You have shown the names of persons entitled to the charge
<input type="checkbox"/>	You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
<input type="checkbox"/>	You have given a description in Section 4, if appropriate
<input type="checkbox"/>	You have signed the form
<input type="checkbox"/>	You have enclosed the correct fee
<input type="checkbox"/>	Please do not send the original instrument, it must be a certified copy.

	<b>Important information</b>
Please note that all information on this form will appear on the public record.	

	<b>How to pay</b>
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'.	

	<b>Where to send</b>
You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.	
<b>For companies registered in England and Wales</b> The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ DX 33050 Cardiff	
<b>For companies registered in Scotland</b> 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)	
<b>For companies registered in Northern Ireland</b> 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	

	<b>Further information</b>
For further information, please see the guidance notes on the website at <a href="http://www.companieshouse.gov.uk">www.companieshouse.gov.uk</a> or email <a href="mailto:enquiries@companieshouse.gov.uk">enquiries@companieshouse.gov.uk</a>	
This form is available in an alternative format. Please visit the forms page on the website at <a href="http://www.companieshouse.gov.uk">www.companieshouse.gov.uk</a>	



**FILE COPY**

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 5124061

Charge code: 0512 4061 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 20th May 2013 and created by FLIGHT ACADEMY (GYROCOPTERS) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 22nd May 2013.

A handwritten signature, possibly reading 'P', is written in the center of the page.

Given at Companies House, Cardiff on 23rd May 2013



Companies House



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

Certified true copy

..... Shaw CAROLINE SHAW  
For and on behalf of Close Brothers  
Limited



## Aircraft Mortgage Deed

In respect of one Robinson R22 having manufacturer's serial number 0139  
and registration mark G-BLDK

- (1) Flight Academy (Gyrocopters) Ltd
- (2) Close Brothers Limited

### *Important Notice*

This is an important agreement which affects your rights. If you fail to comply with the terms of the mortgage you may lose your right to your aircraft. Also under the terms of the mortgage your aircraft will stand as security not just for your obligations under the mortgage but also for any other obligations you may now or in the future have to any associated company of Close Brothers Group plc either alone or jointly and/or severally with any other person and we refer you to the definition of "Secured Liabilities" in the mortgage. Please also be aware that if you undertake any commercial air transport, for example if a passenger is asked to contribute in any way towards the cost of a flight, without the appropriate licences and approvals you will be committing a criminal offence which could lead to substantial fines and the invalidation of the insurance over the Aircraft. You are therefore strongly advised to obtain independent legal advice before signing the mortgage. Your signature will be confirmation by you that you have read and understand and are willing to abide by all of the terms of the mortgage.

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THIS MORTGAGE is executed as a Deed on 20 MAY 2013.

**BETWEEN -**

- (1) **CLOSE BROTHERS LIMITED** of 10 Crown Place, London, EC2A 4FT "the Mortgagee" which expression shall where the context so admits include the Mortgagee's successors in title and assigns)
- (2) The Owner described in Schedule One hereto ("the Owner") and

**WHEREAS -**

The Owner is the sole and absolute owner of the Aircraft and has agreed to execute and deliver in favour of the Mortgagee a first priority mortgage over the Aircraft

**NOW IT IS AGREED as follows -**

**1 DEFINITIONS AND INTERPRETATION**

- 1 1 In this Mortgage except when it is inconsistent with the context -

**"Aircraft"** means the aircraft described in Schedule One and includes the Engines and all Equipment all replacements renewals and additions made thereto and the Manuals and Technical Records

**"Aviation Authority"** means the aviation authority set out in Schedule One and/or any other person or authority from time to time having supervision control or jurisdiction over the Aircraft or its operation

**"Cape Town Convention"** means both the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to the 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),

**"Encumbrance"** includes any mortgage pledge lien, charge assignment hypothecation security interest, title retention International Interest third party interest, preferential right or trust arrangement or other arrangement or agreement the effect of which is the creation of security

**"Engine"** means each of the engines described in Schedule One whether or not installed on the Aircraft and any other engine from time to time installed on the Aircraft and any other engine which having been removed from the Aircraft remains subject to this Mortgage together with all Equipment relating to such engine

**"Equipment"** means all appliances parts, spare parts instruments appurtenances accessories, replacements furnishings and equipment of any kind whatsoever and including but not limited to any medical emergency or other specialised purpose configuration which are and/or become installed in and/or on and/or attached to and/or used with and/or for the Aircraft

**"Event of Loss"** means -

- (a) the actual or constructive total loss of the Aircraft (including any damage to the Aircraft or other occurrence which results in an insurance settlement on the basis of a total loss), or
- (b) the hijacking theft requisition or other compulsory acquisition of the Aircraft, or
- (c) the seizure arrest, detention or confiscation of the Aircraft by any government or by persons acting or purporting to act on behalf of any government unless the Aircraft is released within one month, or
- (d) the Aircraft's being destroyed, damaged beyond repair or permanently rendered unfit for normal use for any reason whatsoever

**"Guarantee"** means any guarantee given or to be given by the

Guarantor in favour of the Mortgagee,

**"Guarantor"** means any person or company giving the Guarantee,

**"IDERA"** means the irrevocable deregistration and export request authorisation in the form acceptable to the Mortgagee

**"Insurances"** means all contracts and policies of insurance which are from time to time or are required to be effected and maintained under this Mortgage,

**"International Interest"** has the meaning expressed to such term in the Cape Town Convention,

**"Loan Agreement"** means any loan agreement entered into or to be entered into between the Owner or any third party and the Mortgagee

**"Manuals and Technical Records"** means all such records log books manuals technical data and other materials and documents relating to the Aircraft as were delivered to the Owner at the time of the purchase of the Aircraft and/or as have since been and/or shall hereafter be acquired by the Owner and/or as shall from time to time be required to comply with the regulations and requirements of the Aviation Authority

**"Owner"** includes for the purposes of Clause 13 only any subsidiary or holding company of the Owner or any subsidiary of any such holding company from time to time within the meaning of s 736 of the Companies Act 1985 (as amended),

**"Permitted Encumbrance"** means in respect of the Aircraft -

- (a) any lien for Taxes either not yet assessed or, if assessed not yet due and payable or being contested in good faith by appropriate proceedings so long as such proceedings or the continued existence of such lien does not in the opinion of the Mortgagee involve any likelihood of the sale forfeiture or loss of any interest in the Aircraft
- (b) airport hangar keeper's, mechanics material men's carrier's employees or other similar liens arising in the ordinary course of business by statute or by operation of law (and not by contract) in respect of obligations which are not overdue or which are being contested in good faith by proceedings so long as any such proceedings or the continued existence of such a lien do not involve any likelihood of sale forfeiture or loss of or any interest in the Aircraft

but a Permitted Encumbrance shall not include any lien arising or subsisting through any default or omission on the part of the Owner including but not limited to a failure by the Owner to pay for goods or services supplied to the Owner or the Aircraft within the normal credit period given by the suppliers of such goods or services,

**"Receiver"** means any receiver and/or manager appointed pursuant to this Mortgage,

**"Requisition Compensation"** includes all monies or other compensation payable by reason of requisition for title or other compulsory acquisition of the Aircraft

**"Secured Liabilities"** means all monies whether principal interest or otherwise and all obligations and liabilities whatsoever whether present future actual or contingent which are or may become payable or owing to the Mortgagee or any associated company of Close Brothers Group plc by the Owner either alone or jointly and/or severally with any other person (including under or in connection with this Mortgage) or by any person under the Loan Agreement

**"Security Assets"** means the Aircraft the Insurances Requisition Compensation and all other assets the subject of this security

**"Security Document"** means this Agreement the IDERA, the Guarantee and the Loan Agreement as amended and/or supplemented or substituted and any other documents that may from time to time be executed as security for any sums due owing or incurred hereunder,



	<b>"Security Period"</b> means the period beginning on the date of this Mortgage and ending on the date upon which all the Secured Liabilities have been fully and irrevocably paid and discharged to the satisfaction of the Mortgagee, and		shareholder or any of its members
	<b>"Taxes"</b> includes all present and future income and other taxes levies imposts duties deductions, charges, fees and withholdings together with any applicable interest and penalties		
1 2	In this Mortgage, except when it is inconsistent with the context -	2 1 8	if a body corporate, limited liability partnership or partnership, it shall preserve its minimum net worth as at the level contained in the last signed audited financial accounts,
1 2 1	any reference to the plural includes the singular and vice versa,	2 1 9	all information supplied to the Mortgagee or any associated company of Close Brothers Group plc in connection with the indirect direct and beneficial ownership of the Aircraft is true and complete
1 2 2	any reference to one gender includes all genders	2 1 10	the execution and delivery of this Agreement and the Security Documents and their performance according to their respective terms do not and will not result in a breach of, or default under, any agreement, instrument or arrangement to which the Owner is party or which is binding upon him or any of his assets, or cause to arise, or oblige the Owner to create, any Encumbrance (other than as contemplated by this Agreement) over all or any part of his assets, undertaking, rights or revenues,
1 2 3	any reference to a person includes natural persons corporate bodies limited liability partnerships partnerships firms unincorporated bodies and all legal persons whatsoever	2 1 11	the Owner is not, and the Owner shall procure that the Guarantor is not in breach of, nor in material default under any agreement or arrangement to which he is a party
1 2 4	any reference to a "corporate entity" shall include within its meaning limited liability partnerships	2 1 12	the Owner has, and the Owner shall procure that the Guarantor has filed or caused to be filed all requisite tax returns and has paid all taxes shown to be due and payable on such returns or on any assessments made against him,
1 2 5	headings including those in the Index are given for convenience only and shall not affect interpretation	2 1 13	such financial information as has been given to the Mortgagee (whether orally or in writing) by or on behalf of the Owner or Guarantor in connection with this Agreement was and at the date of execution of this Agreement is, correct in all respects and any further information so submitted during this Agreement is and shall be true and correct and no such information is or shall be misleading by reason of omissions, and
1 2 6	any reference to a clause, sub-clause or schedule is a reference to a clause sub-clause or Schedule in or to this Mortgage,	2 1 14	on drawdown of the loan the Aircraft will be in compliance with the sales specification provided to the Mortgagee
1 2 7	any reference to a particular statute includes all orders, regulations and subordinate legislation from time to time made under or with respect to that statute and to it or them as from time to time modified or re-enacted (whether before or after the date of this Mortgage) and any reference to a particular section of a statute includes any section of a later statute which modifies, replaces or re-enacts that section,	2 2	The representations and warranties contained in Clause 2 1 except Clause 2 1 14, shall be deemed to be repeated on each day during the Security Period as if made with reference to the facts and circumstances existing on each such day
1 2 8	any reference to the Mortgagee includes a reference to its successors and assigns and persons deriving title under or through them and	3	<b>MORTGAGE</b>
1 2 9	any reference to any document (including this Mortgage) includes such document as from time to time varied or supplemented	3 1	As security for payment of the Secured Liabilities the Owner hereby mortgages the Aircraft with full title guarantee to the Mortgagee by way of first priority fixed mortgage
2	<b>REPRESENTATIONS AND WARRANTIES</b>	3 2	Any replacement or substitute Engine or Equipment which is acquired by or deemed to be the property of the Owner shall automatically become subject to this Mortgage upon acquisition or installation on or in the Aircraft (and stand charged pursuant to and on the basis mentioned in Clause 3 1) If any Engine or Equipment which is the property of the Owner is at any time removed from the Aircraft it shall nevertheless remain subject to this Mortgage To the extent that any charge referred to in Clauses 3 1 or 3 2 is or becomes ineffective as a fixed charge then it shall take effect as a floating charge
2 1	The Owner hereby represents and warrants to the Mortgagee that -	3 3	The security hereby created shall be discharged upon the request of the Owner after the end of the Security Period provided that where any discharge is made in whole or in part or any arrangement is made on the faith of any payment security or other disposition which is avoided or must be repaid on bankruptcy liquidation or otherwise howsoever this security and the liability of the Owner under this Mortgage shall continue as if there has been no such discharge or arrangement
2 1 1	it is the sole absolute legal and beneficial owner of the Security Assets including in particular the Aircraft	4	<b>ASSIGNMENT</b>
2 1 2	the Aircraft is validly registered on the register of civil aircraft with the Aviation Authority in the name of the Owner as owner	4 1	The Owner hereby assigns absolutely to the Mortgagee with full title guarantee all its rights title and interest in or to the Insurances the Requisition Compensation and all monies
2 1 3	neither the Security Assets nor any part thereof are or is subject to any Encumbrance save this Mortgage		
2 1 4	this Mortgage has been duly executed by the Owner and constitutes the legal valid and binding obligations of the Owner and creates a valid and enforceable first priority mortgage over the Security Assets including in particular the Aircraft,		
2 1 5	the Aircraft is in a fully airworthy condition and maintained serviced repaired, operated and insured in accordance with the terms of this Mortgage		
2 1 6	the Manuals and Technical Records are full complete and accurate since the date of manufacture of the Aircraft and the Aircraft has suffered no accident damage or serious incident since manufacture,		
2 1 7	there is no litigation (civil or criminal) ongoing pending or otherwise proposed against the Owner or if appropriate any of its directors or any controlling		

	payable in respect of an Event of Loss and all the benefits of the Owner under any agreements for the purchase repair overhaul or servicing of the Aircraft including without limitation all benefits under warranty and indemnity provisions and all claims for damages		
4 2	The Owner will do or procure the doing of all such things and the execution of all such documents as the Mortgagee may from time to time require to ensure the payment to the Mortgagee of the items assigned by Sub-clause 4 1 In particular (without limitation) the Owner shall forthwith give notice to its insurance brokers in the form set out in Schedule Two and cause its insurance brokers to give notice to the insurers of the assignment of the Insurances and shall procure that its insurance brokers shall acknowledge such notice to the Mortgagee in a form satisfactory to the Mortgagee	6 4	not do, or permit to be done, any act or thing which might jeopardise the rights and interest of the Mortgagee in the Security Assets and/or omit or permit to be omitted any act which might prevent those rights and interests from being jeopardised, and
4 3	Subject to Clause 9 if for any reason whatsoever the Owner receives full or partial payment of any Insurances or Requisition Compensation the Owner will promptly pay the amounts so received by it (except to the extent they exceed the amount of the Secured Liabilities) to the Mortgagee or as the Mortgagee may direct and until such time the Owner shall hold the proceeds in trust for the Mortgagee, segregated from any other monies held by or on behalf of the Owner	6 5	not pledge the credit of the Mortgagee for any purpose or in any manner whatsoever, and
5	<b><u>CONTINUING SECURITY AND OTHER SECURITIES</u></b>	6 6	not assign, sell, transfer or otherwise dispose of or abandon all or any part of the Security Assets and
5 1	The security given by this Mortgage shall be continuing and not satisfied or affected by any intermediate payment or satisfaction of the whole or any part of the Secured Liabilities, but shall secure the ultimate balance of the Secured Liabilities The security given by this Mortgage shall be in addition to and shall not be affected by or affect any other Encumbrance now or hereafter held by the Mortgagee for all or any of the Secured Liabilities or any other agreement between the Owner and the Mortgagee (with or without other parties) All of the rights, powers and remedies vested in the Mortgagee by this Mortgage may be exercised from time to time and as often as the Mortgagee shall in its absolute discretion deem expedient and shall be cumulative and not exclusive of each other or other rights and remedies	6 7	use all endeavours to prevent and not do or omit to be done any act which could result in the Aircraft being arrested confiscated seized forfeited or impounded
5 2	Time shall be of the essence of this Mortgage and of all matters relating thereto and hereto but no failure or delay by the Mortgagee or any Receiver in exercising any right remedy or power shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right remedy or power preclude its further exercise or the exercise of any other right remedy or power nor shall any required consent given by the Mortgagee preclude the Mortgagee giving, withholding or revoking such consent or any other or subsequently required consent	7	<b><u>INSURANCES</u></b>
5 3	All the rights powers and remedies conferred on the Mortgagee and any Receiver hereunder shall be cumulative and in addition to, and not a limitation of every other right, power or remedy conferred on the Mortgagee and any Receiver by the Loan Agreement this Mortgage the other Security Documents or by law, and each right power or remedy may be exercised from time to time and as often and in such order as the Mortgagee or any Receiver may in its/its absolute discretion think fit and without prior recourse to any other security or person	7 1	Throughout the Security Period the Owner will at its own expense maintain in full force and effect insurance of the Aircraft with such insurers approved in writing by the Mortgagee with such brokers as approved by the Mortgagee and covering the respective interests of the Owner and the Mortgagee against all risks including loss of or damage to the Aircraft and any liability for injury or damage caused by or arising out of or in connection with the operation storage maintenance or use of the Aircraft (including injury to and death of passengers and persons on the ground and damage to and destruction of property) and without prejudice to the generality of the foregoing the Owner shall maintain -
6	<b><u>GENERAL COVENANTS</u></b>	7 1 1	all risks hull insurance on the Aircraft whilst flying and on the ground on an agreed value basis as stipulated from time to time by the Mortgagee (the "Agreed Value") in accordance with London Aviation Insurance Policy AVN1C (or such other policies provided that such coverage is no less than that provided by AVN 1C) as from time to time varied or supplemented (and if so required by the Mortgagee to include Insurance on the Engines or Equipment whilst removed from the Aircraft in an amount not less than their replacement cost)
6 1	The Owner hereby covenants with the Mortgagee by way of primary obligations and not merely by way of guarantee that throughout the Security Period it will	7 1 2	war and allied risks insurance on the Aircraft covering all those risks enumerated in Lloyd's form AVN48B (other than paragraph (b) thereof) in accordance with Lloyd's form LSW 555D or if agreed by the Mortgagee AVN 51 as appropriate or any successor wording as required by the Mortgagee and
6 2	pay, on demand, the Secured Liabilities to the Mortgagee and to pay interest on each amount comprised in the Secured Liabilities from the date it is demanded or if earlier the date it falls due until payment to the Mortgagee and	7 1 3	aircraft third party, passenger baggage cargo, mail and general third party legal liability insurance in accordance with London Aviation Insurance Policy AVN1C (or such other policies provided that such coverage is no less than provided by AVN1C) together with product coverage as from time to time varied and supplemented in respect of the Aircraft to a combined single limit as stipulated from time to time by the Mortgagee which amount shall in any event be no less than the requirements from time to time of the Aviation Authority or the Regulation (EC) 785/2004 (whichever amount is greater) Such insurance to include war and allied risks in accordance with extended coverage endorsement (AVN52E or successor wording as required by the Mortgagee)
6 3	comply at all times with the terms (express or implied) of this Mortgage and the Loan Agreement and	7 2	Provide that there is an Airline Finance/Lease Contract Endorsement in the form of AVN67B as from time to time varied and supplemented with the Mortgagee endorsed as contract party
	not create or permit to subsist any Encumbrance upon all or any part of the Security Assets except for Permitted Encumbrances, and	7 3	The Owner shall procure that each of the Insurances provides that -
		7 3 1	in the case of the liability insurance it shall be primary without any right of contribution from any insurance which may be available to the Mortgagee and that each of its provisions, except the limits of liability, takes effect as if there were a separate policy covering each of the parties thereby Insured This provision shall not operate to include any claim howsoever arising in respect of loss or damage to the Aircraft insured under the hull or spares

	insurance		Mortgage on the aircraft register of the Aviation Authority in the name of the Owner as owner and ensure that nothing is done or omitted whereby such registration is imperilled
7 3 2	each of the all risks insurers on the one hand and the war risks insurers on the other hand agree to a 50/50 claim funding arrangement in the event of any dispute as to which insurance is applicable as reflected in the current wording of AVS103A,	10 1 2	if the provisions of the Cape Town Convention are effective or given effect at any time during the Security Period maintain the registration of the Aircraft and its Engines on the aircraft register of the Cape Town Convention in the name of the Owner as owner, the Mortgagee as the creditor of the International Interest and ensure that nothing is done or omitted whereby such registration is imperilled, and
7 3 3	the maximum deductible is 5% of the Agreed Value	10 1 3	ensure that this Mortgage and any Security Document which are both subject to English law are registered and perfected in accordance with the laws applicable to the country within which the Owner is registered
7 4	The Mortgagee may from time to time stipulate other requirements for Insurances so that the scope and level of cover is maintained in line with best industry practice and the interests of the Mortgagee the Owner and such other parties as the Mortgagee may reasonably require continue to be fully protected		
7 5	The Owner shall provide a broker's letter of undertaking acceptable to the Mortgagee		
7 6	The Insurances under this clause are to be based on full flight risk cover at all times	10 2	<u>Maintenance</u>
8	<b><u>INSURANCE COVENANTS</u></b>	10 2 1	maintain the continuous airworthiness of the Aircraft in accordance with the requirements of the Aviation Authority
	Throughout the Security Period the Owner will	10 2 2	ensure that all maintenance is undertaken as promptly as possible and advise the Mortgagee of circumstances whereby the Aircraft is either expected to or has been grounded for the purposes of maintenance for more than 28 days The Mortgagee shall be entitled to appoint an independent consultant at the Owner's cost to review the maintenance arrangements The consultant shall on behalf of the Owner and Mortgagee determine if this covenant is being complied with and
8 1	not without the prior consent of the Mortgagee alter any of the Insurances or do or permit any act or omission which would or might render any of the Insurances invalid void voidable or unenforceable or render any sum paid out thereunder repayable in whole or in part	10 2 3	ensure that all Manuals and Technical Records are maintained up to date and in English and keep affixed on the front of each a legible notice in a form notified by the Mortgagee stating that they are subject to this Mortgage
8 2	provide to the Mortgagee copies of all communications to or from the insurers and shall permit the Mortgagee to communicate directly with the insurers		
8 3	duly pay all premiums, calls, contributions or other sums of money from time to time payable in respect of the Insurances	10 3	<u>Operation</u>
8 4	whenever the Owner receives payment of any money hereby assigned, save as provided herein forthwith pay over such money to the Mortgagee and until such time hold such money in trust for the Mortgagee and	10 3 1	obtain and maintain in full force and effect all certificates, licences, permits insurances and authorisations necessary or desirable in connection with the use and operation of the Aircraft including in particular (without limitation) all customs and import documentation, an unrestricted certificate of airworthiness and all applicable certificates of maintenance
8 5	disclose this Agreement to insurers and upon request shall provide the Mortgagee with copies of each policy for the Insurances and receipt for premiums for them upon reasonable request and shall provide information about the progress of renewals	10 3 2	punctually pay all costs expenses duties charges levies fees fines penalties rent, rates Taxes assessments and other expenditure payable in respect of the Aircraft its use or operation (including in particular, without limitation, any which give or may give rise to any Encumbrance or claim enforceable against the Aircraft) and on demand produce to the Mortgagee the receipts for all such payments
9	<b><u>APPLICATION OF INSURANCE PROCEEDS</u></b>	10 3 3	punctually pay all Eurocontrol airport handling and landing fees which could if not paid lead to the detention of the Aircraft,
	All sums receivable in respect of the Insurances after the security created by this Mortgage becomes enforceable and all sums receivable in respect of an Event of Loss (except sums in respect of third party liability claims) shall be paid to the Mortgagee and the Mortgagee may in its discretion apply them towards the loss or damage concerned or as specified in Clause 16 Subject to this -	10 3 4	ensure that the Aircraft is not operated in any manner or place or for any purpose which would or might render it liable to confiscation forfeiture, seizure, destruction or condemnation and
9 1	each sum receivable in respect of an accident or casualty otherwise than under the liability Insurance shall be paid to the Mortgagee, and thereafter upon the Owner furnishing evidence satisfactory to the Mortgagee that all loss and damage resulting from the accident or casualty has been properly made good and repaired shall be paid either to the Owner or to the person by whom any repairs have been or are to be effected The receipt of any such person shall be a full and sufficient discharge for the same to the Mortgagee, and	10 3 5	procure that the Mortgagee is not at any time represented as carrying goods or passengers on the Aircraft, or as being in any way connected or associated with any operation of carriage which may be undertaken by the Owner or any other operator of the Aircraft or as having any operational interest in, or responsibility for the Aircraft
9 2	each sum receivable in respect of the liability insurance shall be paid direct to the person to whom the liability to which such sum relates was incurred or to the Owner or the Mortgagee as the case may be in reimbursement to it of monies expended in satisfaction of such liability with consent of the insurers		
10	<b><u>COVENANTS CONCERNING THE AIRCRAFT</u></b>	11	<b><u>POSSESSION AND LOCATION OF AIRCRAFT</u></b>
	Throughout the Security Period the Owner will at its own cost		Throughout the Security Period the Owner will
10 1	<u>Registration</u>		
10 1 1	maintain the registration of the Aircraft and this		



11 1	<u>Physical location</u>	Ensure that the Aircraft is based, operated and maintained in the United Kingdom is not located outside the United Kingdom for a period of more than 15 consecutive days and at no time permit the Aircraft to be located outside any member state of the European Economic Area except with the prior written permission of the Mortgagee and does not fly to, from or over any country in or over which its safety might be imperilled	repair and that any Engine or Equipment so removed is properly and safely stored and as soon as possible re-installed or replaced by another Engine or other Equipment as the case may be, of substantially the same type value and utility in good operating condition and beneficially owned by the Owner free from Encumbrances,
11 2	<u>Lease, Charter and Hire</u>	<p>11 2 1 at all times comply with all laws applicable to the use of aircraft for hire or reward The Owner acknowledges that failure to comply with such laws may constitute a criminal offence and may invalidate the insurance policy,</p> <p>11 2 2 not without both the Mortgagee's and Aviation Authority's prior written consent lease, charter hire or otherwise part with possession or operational control of the Aircraft unless it is both by way of charter or lease with the crew under the control of the Borrower and for a period not exceeding 28 days</p> <p>11 2 3 not represent or hold out the Mortgagee as carrying goods or passengers or being in any way associated or connected with any operation of the Aircraft</p> <p>11 2 4 not permit or enter into any agreement with any third party which grants any form of right of quiet enjoyment and</p> <p>11 2 5 if so required by the Mortgagee, ensure that a Mortgagee's charterer approval letter in such form as required by the Mortgagee is signed by any lessee or charterer of the Aircraft</p>	<p>11 5 2 ensure that any Engine or other Equipment is not placed on any other aircraft without the prior written consent of the Mortgagee</p> <p>11 5 3 promptly notify the Mortgagee of any replacement Engine which has been fitted and provide such evidence as described in Clause 11 5 1 above and sign such deed of variation to this Mortgage as required by the Mortgagee, and</p> <p>11 5 4 if so required by the Mortgagee maintain an engine maintenance support agreement with such persons and on such terms approved by the Mortgagee in respect of the Engines with the interest of the Mortgagee noted</p>
11 3	<u>Maintenance and repair</u>	<p>11 3 1 not part with possession or operational control of the Aircraft for the purposes of maintenance maintenance management or repair without the prior written consent of the Mortgagee unless it has first</p> <p>11 3 1 1 informed such party that the Aircraft is subject to this Mortgage and that they are authorised to discuss the Aircraft with the Mortgagee as if it were the Owner, and</p> <p>11 3 1 2 obtained a written undertaking from the person taking possession not to exercise any lien on the Aircraft, and</p> <p>11 3 1 3 ensure that the maintenance and/or repair shall not exceed 5% of the Agreed Value of the Aircraft as declared in the insurance policy</p> <p>11 3 2 if so required by the Mortgagee, ensure that a Mortgagee's maintenance approval letter in such form as required by the Mortgagee is signed by any organisation undertaking maintenance and/ or providing continuous airworthiness management over the Aircraft</p>	<p>12 <b><u>NOTIFICATION, INFORMATION AND ACCESS</u></b></p> <p>Throughout the Security Period the Owner will -</p> <p>12 1 immediately notify the Mortgagee (in writing) of any distress on the Aircraft or its arrest, capture, detention, seizure condemnation, compulsory acquisition or requisition or if any such action is threatened</p> <p>12 2 immediately notify the Mortgagee (in writing) of the occurrence of any accident or other event which has resulted in or may result in an Event of Loss or in damage which requires repair</p> <p>12 3 permit the Mortgagee and/or its agents and representatives reasonable access to the Aircraft and all Manuals and Technical Records for the purpose of inspection or survey and ensure that they are all afforded all reasonable facilities and</p> <p>12 4 upon notification from the Mortgagee that any of those events set out in Clause 13 has occurred and is continuing, or that the Mortgagee reasonably believes any of those events are likely to occur, ensure that the Aircraft remains at or proceeds to and remains at, any airport reasonably nominated by the Mortgagee until such event has been rectified or the Mortgagee is reasonably satisfied that any such event will not occur</p>
11 4	<u>Location of Manuals and Technical Records</u>	<p>11 4 1 ensure that the originals of the Manuals and Technical Records from the date of manufacture are kept in the United Kingdom at a suitable location as advised by the Owner and approved by the Mortgagee and</p> <p>11 4 2 if so required by the Mortgagee, provide certified true copies of the Manuals and Technical Records in an electronic format that is acceptable to the Mortgagee and the Aviation Authority</p>	<p>13 <b><u>ENFORCEABILITY OF SECURITY</u></b></p> <p>For the purposes of Section 101 of the Law of Property Act 1925, the Secured Liabilities shall be deemed to have become due for discharge and payment on the day following the execution of this Mortgage The Mortgagee may immediately without notice enforce the security created by this Mortgage if (whether or not caused by any reason whatsoever outside the control of the Owner or any other person) -</p> <p>13 1 the Owner fails to pay on the due date any amount payable by it under this Mortgage or the Owner or any other person fails to pay on the due date any amount payable under the Loan Agreement or the Guarantor fails to pay on the due date any amount payable by it under the Guarantee, or</p> <p>13 2 any representation or warranty in any document or otherwise given or made to the Mortgagee in connection with this Mortgage is or becomes untrue in any respect or</p> <p>13 3 the Owner fails to comply with any other provision of this Mortgage or of any other agreement from time to time subsisting between the Owner and the Mortgagee or any associated company of the Mortgagee or fellow subsidiary of Close Brothers Group plc (with or without other parties) or the Guarantor fails to comply with any terms of the Guarantee or</p> <p>13 4 any other indebtedness of the Owner or the Guarantor becomes due and payable prior to the stated due date or the person to whom such indebtedness is owed becomes entitled to declare any such indebtedness due and payable prior to such due date, or any event of default in respect thereof occurs or any such indebtedness is not paid when due or</p>
11 5	<u>Location of Engines and other Equipment when removed from the Aircraft</u>	11 5 1 ensure that no Engine or Equipment is removed except in the ordinary course of maintenance or	

13 5	the Owner or the Guarantor becomes or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or becomes unable to pay its debts as they fall due, or otherwise becomes insolvent or suspends making payment with respect to all or any of its debts or announces any intention to do so, or	13 19	the Owner or Guarantor being or trading as a partnership and one individual partner dies or a partner or the partnership becomes insolvent or suspends payment of or is unable to, or admits inability to, or appears to be unable to pay, or has no reasonable prospect of being able to pay, an unsecured debt or debts of an individual value in excess of £750, which is or are for a liquidated sum due immediately or at some future certain time or is adjudicated or found bankrupt or insolvent or enters into or applies to any court or other tribunal for any composition or other arrangement with his creditors generally or a suspension or adjustment of payments proceeding or enters into dealings with his creditors with a view to avoiding insolvency or any similar process or proceeding is instituted under the laws of any jurisdiction or the partnership is dissolved or an individual partner becomes of unsound mind or a patient for the purposes of any statute referring to mental health or in the case of a partnership proceedings are commenced to wind up the partnership under the provisions of Part V at the Insolvency Act 1986 or
13 6	an application or petition is presented or notice is given for an administration order in relation to the Owner or the Guarantor or any meeting of the Owner or the Guarantor is convened for the purpose of considering any resolution to present a notice application or petition for such an order or		
13 7	a notice of appointment or a notice of intention of appointment of an administrator under Schedule B1 of the Insolvency Act 1986 is issued by the Owner or the Guarantor or by the directors or members of either of them or by the holder of a qualifying floating charge (as defined in the said schedule) or		
13 8	any steps are taken to obtain a moratorium with a view to proposing (under any enactment or otherwise) any kind of composition scheme of arrangement compromise or arrangement involving the Owner or the Guarantor and its creditors generally (or any class of them) or	13 20	the Owner or Guarantor being a limited liability partnership and one of its members dies or a member becomes insolvent or suspends payment of, or is unable to, or admits inability to or appears to be unable to pay of has no reasonable prospect of being able to pay an unsecured debt or debts of an individual value in excess of £750, which is or are for a liquidated sum due immediately or at some future certain time or is adjudicated or found bankrupt or insolvent, or enters into, or applies to any court or other tribunal for any composition or other arrangement with its creditors generally or a suspension or adjustment of payments proceeding or enters into dealings with his creditors with a view to avoiding insolvency or any similar process or proceeding is instituted under the laws of any jurisdiction or an individual member becomes of unsound mind or a patient for the purposes of any statute referring to mental health or
13 9	any administrative or other receiver or any manager of the Owner or the Guarantor or any of its property is appointed or the directors of the Owner or the Guarantor request any person to appoint such a receiver or manager, or any other steps are taken to enforce any Encumbrance over any of the Owner's or the Guarantor's property or to repossess any goods in the possession of but not absolutely owned by the Owner or the Guarantor or any steps are taken with a view to putting in force any kind of attachment, sequestration, distress or execution against the property of the Owner or the Guarantor or		
13 10	a meeting of the Owner or the Guarantor is convened for the purpose of considering any resolution for, or to petition for, winding-up or the Owner or the Guarantor passes such a resolution or an order for winding up the Owner or the Guarantor is made on the petition of any of its creditors or	13 21	any event occurs which is analogous to those events set out in Clauses 13 5 to 13 11 or 13 18 to 13 20 in any other jurisdiction or
13 11	any steps are taken with a view to the dissolution of the Owner or the Guarantor or	13 22	any single person or group of persons acquire control of the Owner or the Guarantor without the prior consent in writing of the Mortgagee or there is a material change in the share ownership or ownership of the Owner or the Guarantor (either by way of legal beneficial ownership or by grant of an option) without the consent in writing of the Mortgagee or
13 12	the Owner or the Guarantor ceases or threatens to cease all or a substantial part of its operations or transfers or disposes of (otherwise than in the ordinary course of trading) all or a substantial part of its assets whether by one or a series of transactions related or not or	13 23	if the Owner is a limited liability partnership any member of the Owner ceases to be a member of the limited liability partnership or there is a material change of the limited liability partnership agreement or any other agreement between the members of the Owner without the consent in writing of the Mortgagee or
13 13	any authorisation, approval, licence insurance, registration or other requirement necessary to enable the Owner to comply with any of its obligations under this Mortgage is modified, revoked or does not remain in full force and effect, or	13 24	any circumstances arise which might in the reasonable opinion of the Mortgagee imperil the security created by this Mortgage or the ability or willingness of the Owner to perform its obligations under this Mortgage
13 14	an Event of Loss occurs with respect to the Aircraft, or		
13 15	the Aircraft is arrested detained seized forfeited condemned or becomes the subject of compulsory acquisition or requisition or any such action is threatened, or the Mortgagee reasonably considers any such action is likely to be taken or	14	<b><u>ENFORCEMENT OF SECURITY</u></b>
13 16	it becomes impossible or unlawful for the Owner to fulfil any of the terms of this Mortgage or for the Mortgagee to exercise any right or power given to it by this Mortgagee or	14 1	When and at any time after the security created by this Mortgage becomes enforceable and the Mortgagee determines to enforce the same, it may without notice immediately put into force and exercise all the powers and remedies possessed by it according to law as mortgagee and chargee of the Security Assets as and when it may see fit (so that Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this security) and in particular (without limitation) the Mortgagee may -
13 17	there occurs in the opinion of the Mortgagee a material adverse change in the financial condition or control of the Owner or the Guarantor, or	14 1 1	take possession of the Aircraft and for this purpose enter into any premises belonging to or in the occupation or under the control of the Owner where the Aircraft may be located, and
13 18	the Owner or Guarantor being an individual dies or becomes insolvent or suspends payment of or is unable to or admits inability to or appears to be unable to pay, or has no reasonable prospect of being able to pay, an unsecured debt or debts of an individual value in excess of £750, which is or are for a liquidated sum due immediately or at some future certain time or is adjudicated or found bankrupt or insolvent, or enters into, or applies to any court or other tribunal for any composition or other arrangement with his creditors generally or a suspension or adjustment of payments proceeding or enters into dealings with his creditors with a view to avoiding insolvency or any similar process or proceeding is instituted under the laws of any jurisdiction or he becomes of unsound mind or a patient for the purposes of any statute referring to mental health or	14 1 2	recover and collect all Insurances and Requisition Compensation, and
		14 1 3	take over or institute all such proceedings in connection with all or any of the Security Assets as the Mortgagee in its absolute discretion thinks fit and discharge compound release or compromise any of the Security Assets or claims in respect thereof including without limitation claims which have given or may give rise to any charge or lien on or arrest of

	the Aircraft or which are or may be enforceable by proceedings against the Aircraft, and	15 3	Any Receiver shall be entitled to remuneration appropriate to his work and shall be entitled to charge in accordance with the normal practice of his firm without being limited to the maximum rate specified in Section 109(6) of the Law of Property Act 1925
14 1 4	sell all or any part of the Security Assets (either with or without taking possession and with or without the benefit of any lease, charter or other contract) by public auction or private contract, at such place and upon such terms as the Mortgagee in its absolute discretion may determine with power to postpone any such sale and without being answerable for any loss occasioned by such sale or resulting from the postponement thereof and	15 4	The Mortgagee shall not be responsible for misconduct or negligence on the part of such Receiver
14 1 5	repair and maintain and keep in repair the Aircraft and	15 5	Such Receiver shall be the agent of the Owner and the Owner shall be responsible for his acts defaults and remuneration and liable on any contracts made by him
14 1 6	insure the Aircraft upon such terms as the Mortgagee may in its absolute discretion determine	16	<b><u>APPLICATION OF PROCEEDS</u></b>
14 1 7	manage lease charter operate or otherwise use the Aircraft in such manner and for such period as the Mortgagee deems necessary and generally do all such things as an owner of the Aircraft could do in relation thereto accounting only for the net proceeds (if any) of such use and	16 1	All monies received by the Mortgagee or any Receiver in respect of the Security Assets shall be applied by the Mortgagee in or towards payment of the Secured Liabilities in the following order (but without prejudice to the right of the Mortgagee to recover any shortfall from the Owner) -
14 1 8	set-off any monies comprised in the Security Assets against any of the Secured Liabilities	16 1 1	firstly, in or towards payment of all costs and expenses whatsoever incurred or to be incurred by the Mortgagee in connection with such enforcement including (without limitation) all costs of recovery maintenance repair insurance storage sale or other dealing
14 2	If the provisions of the Cape Town Convention are applicable or become applicable at any time during the Security Period, in the state of registration of the Aircraft or the state in which the Owner (or any permitted sub-lessee or operator of the Aircraft if applicable) is situated or incorporated or has its registered office or centre of administration the Mortgagee and the Owner acknowledge and agree that	16 1 2	secondly in or towards payment to the Mortgagee in such order as the Mortgagee may in its sole discretion decide of all amounts which are or may become owing by the Owner to the Mortgagee under this Mortgage
14 2 1	each of the events referred to in Clause 13 inclusive shall be deemed to be an event that constitutes a default as such term is used in the Cape Town Convention and the Owner acknowledges to the extent permitted by law that any and all of the remedies granted herein following an event of default are not manifestly unreasonable	16 1 3	thirdly, after all amounts payable or which may become payable under this Mortgage have been paid in full and this Mortgage has been discharged, in or towards payments of moneys owing if any to the Owner or other persons entitled thereto
14 2 2	upon the occurrence of any of the events referred to in Clause 13 (a) the Mortgagee will be afforded all rights and remedies specified in the Cape Town Convention as a result of any such event referred to in Clause 13 and (b) all the rights of the Mortgagee set out in this Clause 14 will be construed to be 'additional remedies' as permitted by the Cape Town Convention which may be exercised by the Mortgagee pursuant to this Mortgage subject to the requirements of any applicable law, and	17	<b><u>POWER OF ATTORNEY</u></b>
14 2 3	upon the occurrence of any of the events referred to in Clause 13 the Mortgagee may take all steps as are contemplated by the Cape Town Convention as the result of any such event to the extent permitted by law without notice to the Owner or court order deregister the Aircraft in the state of registration, export the Aircraft from the state of registration and if applicable, discharge the International Interest in respect of the Aircraft any Engine and any agreement between the parties including this Mortgage, from the international register(s) of the Cape Town Convention		The Owner hereby irrevocably appoints and constitutes the Mortgagee and any Receiver appointed by the Mortgagee jointly and severally, with full power to delegate as its true and lawful attorney(s) (which appointment is coupled with a security interest) with full power (in the name of the Owner or otherwise) to ask require demand receive compound and give acquittance for any and all moneys and claims for monies due or to become due to endorse any cheque or other instrument or orders in connection therewith to execute any document to do any act or thing and to file any claims or take any action or institute any proceedings which the Mortgagee or any Receiver may deem to be necessary or advisable and otherwise to do any and all things which the Owner itself could do in relation to the Security Assets or in connection with the matters provided for in this Mortgage including but not limited to changing the registration of the Aircraft with the Aviation Authority and the Owner undertakes to ratify all such acts of the Mortgagee and/or any Receiver
15	<b><u>RECEIVER</u></b>	18	<b><u>PROTECTION OF THIRD PARTIES</u></b>
15 1	At any time after the security created by this Mortgage shall have become enforceable the Mortgagee shall be entitled (but not bound) to appoint in writing a Receiver of all or any part of the Security Assets (with power to authorise any joint receiver and/or manager to exercise any power independently of any joint receiver/manager) and remove any Receiver so appointed and appoint another in his place		No purchaser or other person dealing with the Mortgagee or any Receiver appointed by it or with its or his attorneys or agents shall be concerned to enquire whether the power exercised or purported to be exercised by it or him has become exercisable or whether any money remains due on the security hereby created or otherwise, as to the propriety or regularity of any of his, its or their actions or as to the application of any money paid to him, it or them All the protections afforded to purchasers by Sections 104 and 107 of the Law of Property Act 1925 shall apply to any such person dealing with the Mortgagee or Receiver In this clause a "purchaser" includes any person acquiring, for money or money's worth any lease of or security interest over, or any other interest or right whatsoever in the Security Assets
15 2	The Receiver may exercise all or any of the rights, powers and discretions of the Mortgagee given to it by this Mortgage Such Receiver shall have all the powers conferred by the Law of Property Act 1925 but without the restrictions contained in Sections 93 and 103 of that Act	19	<b><u>POWERS OF MORTGAGEE</u></b>
		19 1	The Mortgagee shall be entitled (but not bound) to take any such action as it may in its discretion think fit for the purpose of protecting the security created by this Mortgage and in particular (without limitation) may effect and maintain insurances, arrange for the carrying out of repairs to and/or surveys of the Aircraft and discharge obligations and liabilities in connection with the

## Aircraft

19 2 The Mortgagee may at any time or times delegate to any person(s) all or any of its rights, powers and discretions hereunder and/or employ agents, managers employees advisers and others on such terms as the Mortgagee sees fit for any of the purposes set out in this Mortgage

19 3 Every power and remedy given to the Mortgagee hereunder shall be cumulative and not alternative and in addition to and not exclusive of any other power or remedy given to the Mortgagee either by this Mortgage or by law and all such powers and remedies may be exercised whenever and as often as the Mortgagee may deem expedient

## 20 FURTHER ASSURANCE

The Owner shall at its own expense from time to time execute all such deeds and documents and do all such acts and things as the Mortgagee may reasonably require for the purpose of protecting or perfecting the security intended to be created by this Mortgage

## 21 INDEMNITY AND LIABILITY

21 1 THE OWNER WILL INDEMNIFY AND KEEP INDEMNIFIED THE MORTGAGEE AND EVERY RECEIVER OR AGENT APPOINTED PURSUANT HERETO IN RESPECT (BUT NOT LIMITED TO) ALL ACTIONS, CLAIMS, DEMANDS PROCEEDINGS, COSTS EXPENSES FINES PENALTIES TAXES LOSSES AND LIABILITIES WHATSOEVER INCURRED BY IT HIM OR THEM IN GOOD FAITH IN THE EXECUTION OR PURPORTED EXECUTION OF ANY RIGHTS POWERS OR DISCRETIONS GIVEN TO IT HIM OR THEM BY THIS MORTGAGE OR ARISING IN ANY MANNER WHATSOEVER OUT OF THE MANAGEMENT CONTROL USE OR OPERATION OF THE AIRCRAFT OR OUT OF NON COMPLIANCE BY THE OWNER WITH ANY OF ITS OBLIGATIONS UNDER THIS MORTGAGE

21 2 THE MORTGAGEE SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER FOR ANY LOSSES OR DAMAGE WHATSOEVER ARISING IN CONNECTION WITH THE EXERCISE OR PURPORTED EXERCISE OF ANY OF ITS RIGHTS, POWERS AND DISCRETIONS IN GOOD FAITH HEREUNDER AND IN PARTICULAR WITHOUT LIMITATION THE MORTGAGEE AND ANY RECEIVER IN POSSESSION SHALL NOT BE LIABLE TO ACCOUNT AS MORTGAGEE IN POSSESSION OR FOR ANYTHING EXCEPT ACTUAL RECEIPTS

21 3 NOTHING IN THIS CLAUSE SHALL EXCLUDE ANY LIABILITY OF THE MORTGAGEE OR ANY RECEIVER FOR FRAUD

## 22 MORTGAGEE'S RIGHT OF RETENTION AND SET-OFF

22 1 The Owner hereby agrees that the Mortgagee may at any time without notice -

22 1 1 retain any sums that would otherwise be payable to the Owner to cover any liabilities of the Owner to the Mortgagee on any other account, and/or

22 1 2 combine or consolidate all or any of its then existing accounts including accounts in the name of the Mortgagee or of the Owner jointly with others and set off or transfer any sum standing to the credit of any one or more such accounts in or towards satisfaction of any moneys, obligations or liabilities of the Owner to the Mortgagee

22 2 Where such combination, set-off or transfer requires the conversion of one currency into another such conversion shall be calculated at the then prevailing spot rate of exchange of the Mortgagee (as conclusively determined by the Mortgagee) for purchasing the currency for which the Owner is liable with the existing currency so converted

22 3 For the purpose of this clause "accounts" includes all forms of account whatsoever situate, whether current, deposit, loan or of any other nature whatsoever, whether subject to notice or not and whether in sterling or in any other currency and "liabilities" includes all forms of liability whether present, future, actual, contingent primary, collateral several joint or joint and several

## 23 COSTS AND INTEREST

23 1 The Owner shall pay to the Mortgagee or to its order on demand all costs and expenses whatsoever (including without limitation legal costs, registration fees sales commissions (including but not limited to those which the Mortgagee or any associated company of Close Brothers Group plc may be entitled to using its own resources) management time, VAT and stamp duties) incurred by the Mortgagee in connection with the negotiation preparation, completion registration and perfection of this Mortgage and the maintenance, protection and enforcement of the security created by or intended to be created by or pursuant to this Mortgage or any of the Mortgagee's rights whatsoever hereunder

23 2 All amounts due from the Owner to the Mortgagee under this Mortgage including but not limited to, such costs and expenses in Clause 23 1 above shall bear interest at the rate of 1 25% per month from the date on which they were incurred by the Mortgagee until the date of actual payment (both before and after judgment) calculated from day to day

## 24 GENERAL

24 1 This Mortgage constitutes the entire agreement between the parties in relation to its subject matter thereof and no addition to or variation of it shall have any effect unless in writing and signed by the Mortgagee Each party acknowledges that in entering into this Mortgage it does not rely on any statement, representation or warranty of any person whether a party to this Mortgage or not, otherwise than expressly set out in this Mortgage

24 2 This Mortgage may be executed in counterpart and all such counterparts taken together shall be deemed to constitute one and the same instrument.

24 3 Any part of this Mortgage found by any court or other competent authority to be unenforceable shall be considered severable so as not in any way to affect the remainder of this Mortgage

24 4 No delay in exercising or omission by the Mortgagee to exercise any right or power given to it by this Mortgage shall impair such right or power or be construed as a waiver of or as an acquiescence in any default by the Owner and in the event of the Mortgagee on any occasion agreeing to waive any such right or power such waiver shall not in any way prejudice or affect the right of the Mortgagee afterwards to act strictly in accordance with the powers given to it by this Mortgage

24 5 A certificate of the Mortgagee as to the amount at any time due from the Owner hereunder or the amount which but for any of the obligations of the Owner hereunder being or becoming void voidable unenforceable or ineffective, at any time would have been due from the Owner hereunder shall in the absence of manifest error be conclusive

24 6 The Owner may not assign transfer delegate or otherwise deal with any of its rights or obligations under this Mortgage The Mortgagee may without notice, assign all or part of its rights or benefits or transfer or delegate all or any part of its rights or obligations under this Mortgage Where appropriate, the Owner shall enter into all documents specified by the Mortgagee to be necessary to give effect to any such transfer assignment or delegation

24 7 The parties to this Mortgage do not intend by this Mortgage to confer any rights whatsoever any other person Accordingly the parties hereby expressly exclude the provisions of Contracts (Rights of Third Parties) Act 1999 (or any or re-enactment thereof)

24 8 Notwithstanding any provision of this Mortgage the Owner acknowledges and agrees that neither it nor any of its respective affiliates will seek before any court or government agency to have any of the directors of the Mortgagee from time to time in their capacity as directors and officers of the Mortgagee held liable for any actions or inactions of the Mortgagee or any Receiver or any obligations of the Mortgagee under this Mortgage

## 25 NOTICES

All notices and other communications under this Mortgage (unless otherwise expressly contemplated herein) shall



25 1 in the case of an owner comprising more than one individual and/or organisation be deemed valid notice to all those individual(s) and/or organisation(s) which collectively comprise the Owner if delivered in accordance with Clause 25 2 below, and

25 2 be in writing in English and either delivered by hand or sent by fax or first class post (airmail if overseas) in each case to the address of the intended recipient -

The Owner at its address or fax number set out in Schedule One

The Mortgagee

Address c/o 10<sup>th</sup> Floor Tolworth Tower,  
Surrey KT6 7EL  
Telephone (+44) 0208 390 9444  
Fax (+44) 0208 390 8211

(or any other address fax number notified by it from time to time for such purposes) and shall be considered served and received -

25 2 1 in the case of delivery by hand upon delivery or upon refusal on presentation,

25 2 2 in the case of fax, upon sending provided the addressee does not within 24 hours notify the sender that it has been transmitted illegibly or incorrectly,

25 2 3 in the case of post, 24 hours after posting

26 LAW AND JURISDICTION

26 1 This Mortgage and any dispute arising from or connected with it or its subject matter shall be governed by and construed in accordance with English law

26 2 The parties agree that the English courts have exclusive jurisdiction to adjudicate any dispute which

arises in connection with this Mortgage and any dispute arising from or connected with it or its subject matter save that as such agreement conferring jurisdiction is for the benefit of the Mortgagee only the Mortgagee shall retain the right to bring proceedings against the Owner or in respect of the Security Assets in any other court which has jurisdiction

26 3 The Owner irrevocably waives (and irrevocably agrees not to raise) any objection which it may have now or subsequently to the laying of the venue of any Proceedings in any court referred to in this Clause 26 and any claim that any such Proceedings have been brought in an inconvenient forum and, further irrevocably agrees that a judgement in any Proceedings brought in any such court shall be conclusive and binding upon the Owner and may be enforced in the courts of any other jurisdiction

26 4 If the Owner is incorporated or resides outside England and Wales it shall appoint the agent in England or Wales satisfactory to the Mortgagee whose details appear in Schedule 1 to irrevocably receive on its behalf service of proceedings issued out of the English Courts in any action or proceedings arising out of or in connection with this Mortgage and agrees that failure by such agent to notify it of such service shall not adversely affect the validity of any service or any judgment based on it

27 DELIVERY

The parties have executed this Mortgage as a deed on the condition that it shall not be created for the purposes of section 395 of the Companies Act 1985 (as amended) nor delivered for the purposes of section 36A of that Act until it is dated by or on behalf of the parties

IN WITNESS whereof the parties have executed this Mortgage as a deed on the date and year first before written

# Schedule One

## Parties and Aircraft Details

### The Owner

Owner Name	Flight Academy (Gyrocopters) Ltd
Place of Incorporation	England
Companies House registration number	05124061
Owner Address	City Airport Manchester Liverpool Road Eccles Manchester M30 7SA
Telephone	0161 788 8489
Facsimile	
The Aviation Authority	United Kingdom Civil Aviation Authority

### The Aircraft

Manufacturer	Robinson Helicopter Co Inc
Type and Model	Robinson R22
Manufacturers Serial No	0139
Registration Mark	G-BLDK

### Engines

Manufacturer	Lycoming
Type and Model	O-320-B2C
Serial Number	L-12547-39A

together with all Equipment and accessories installed on and/or relating to the above engines

### Manuals and Technical Records

All Manuals and Technical Records relating to the Aircraft

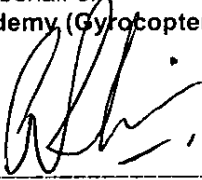
## Schedule Two

### Notice of Assignment

We, Flight Academy (Gyrocopters) Ltd, the Owner of the Robinson R22 aircraft, registration mark G-BLDK **HEREBY GIVE NOTICE** that by a Mortgage dated **20 MAY 2013**, and made by us in favour of **CLOSE BROTHERS LIMITED** there has been assigned by us to the said **CLOSE BROTHERS LIMITED** as first priority mortgagee and assignee of the said Aircraft the hull all risks and hull war risks policies and all the Owner's rights, title and interest in and to all insurances and entries effected and to be effected in respect of the Aircraft, including the insurances constituted by the policies or entry whereon this Notice is endorsed

For and on behalf of  
Flight Academy (Gyrocopters) Ltd

By


  
\_\_\_\_\_  
Director or Secretary

Dated this **20 MAY 2013**

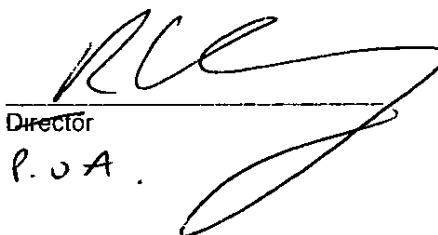
## Execution

**EXECUTED AND DELIVERED**  
as a deed for and on behalf of  
**Flight Academy (Gyrocopters) Ltd**

  
\_\_\_\_\_  
(Director)

  
\_\_\_\_\_  
(Director/Secretary)

**EXECUTED AND DELIVERED**  
as a deed for and on  
behalf of  
**CLOSE BROTHERS LIMITED**

  
\_\_\_\_\_  
Director  
P. O A .