

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

MR01

Particulars of a charge



Companies House

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

☒ **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

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. The copy must be scanned and placed on the public record. Do not send the original.

THURSDAY



A04 *A4406V80* 26/03/2015 #248
COMPANIES HOUSE

1 Company details

Company number 0 6 3 2 4 4 3 5

Company name in full ROONEY AIR LIMITED

For official use

→ **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 1 8 0 3 2 0 1 5

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 Lombard North Central Plc

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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Particulars of a charge

4	Brief description	
Brief description	<p>Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument</p> <p>2010 Hawker 4000 Senal no RC-34 Registration mark G-PROO</p> <p>For full details please refer to the instrument</p>	<p>Please submit only a short description if there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"</p> <p>Please limit the description to the available space</p>
5	Other charge or fixed security	
	<p>Does the instrument include a charge (which is not a floating 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"/> Yes <input type="checkbox"/> No</p>	
6	Floating charge	
	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input type="checkbox"/> Yes Continue <input checked="" type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input type="checkbox"/> Yes</p>	
7	Negative Pledge	
	<p>Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
8	Trustee statement ^①	
	<p>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</p> <p><input type="checkbox"/></p>	<p>^① This statement may be filed after the registration of the charge (use form MR06)</p>
9	Signature	
Signature	<p>Please sign the form here</p> <p>Signature</p> <p>X <i>R. Tubse</i> X</p> <p>This form must be signed by a person with an interest in the charge</p>	

MR01

Particulars of a charge

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **New Business - Payout Support**

Company name **Lombard North Central Plc**

Address **PO BOX 520**

Post town **Rotherham**

County/Region **South Yorkshire**

Postcode **S 6 3 3 B R**

Country **England**

DX

Telephone **01709 773072**

**Certificate**

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.

**Checklist**

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy

**Important information**

Please note that all information on this form will appear on the public record

**How to pay**

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'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
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)

For companies registered in Northern Ireland
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

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number 6324435

Charge code: 0632 4435 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th March 2015 and created by ROONEY AIR LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th March 2015

P

Given at Companies House, Cardiff on 2nd April 2015



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



UK AIRCRAFT MORTGAGE (US DOLLARS)

made between

LOMBARD NORTH CENTRAL PLC

and

ROONEY AIR LIMITED

I certify that, save for material redacted pursuant to S.859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Signed

Lombard North Central PLC

23/3/15.

AGREEMENT DETAILS

UK AIRCRAFT MORTGAGE (US DOLLARS) IN RESPECT OF AIRCRAFT REGISTERED IN THE UK

A. AGREEMENT DATE: 18.3.15

B. BORROWER DETAILS

Borrower(s) name	Rooney Air Limited
Borrowers(s) registered office	St Leonards House, North Street, Horsham, West Sussex RH12 1RJ
Telephone number	01403 282494
Fax number	01403 282440
Company registration number	06324435

C. AIRCRAFT DETAILS

Aircraft manufacturer	Hawker Beechcraft Corporation		
Manufacturers serial number	RC-34		
Aircraft type	Hawker 4000		
Aircraft registration mark	G-PROO		
Aircraft engine type	Pratt & Whitney (Canada) PW308A		
Year of manufacture	2010		
Number of engines	2		
Engine serial numbers	1	PCE-CE0083	2 PCE-CE0081
	3		4
Propeller/Rotor blade type			
Propeller/Rotor blade serial nos	1		2
	3		4
APU type			
APU serial number	P-118		
Landing gear type			
Landing gear serial numbers			
Category of certificate of airworthiness	Private		

D. AVIONICS

Quantity	Manufacturer details	Type	Serial number
1	Honeywell Aerospace	Model 36-150(HH) Auxiliary Power Unit	P-118

Other radio aids and accessories

Quantity	Manufacturer details	Type	Serial number
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E. INSURANCE DETAILS

Required Insurance Value	the greater of (a) the market value of the Aircraft and (b) one hundred and ten per cent (110%) of the outstanding principal amount of the Loan		
Required Insurance Currency	US DOLLAR	Minor Damage Limit	
Permitted Deductible		Minimum Liability Cover	

THIS MORTGAGE is made as a deed on the Agreement Date between Lombard North Central PLC of PO Box 520, Rotherham S63 3BR with Company Registration Number 00337004 (the Lender), and the Borrower identified in the Agreement Details (the Borrower)

The Borrower has agreed to grant and in this Mortgage grants to the Lender a mortgage over the Aircraft on the terms and conditions set out below

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

1.1.1 In this Mortgage (including the Agreement Details and Schedules) words and expressions shall unless defined herein or the context otherwise requires, have the meanings given to them in the Loan Agreement

1.1.2 In this Mortgage (including the Agreement Details and Schedules) the following words and expressions shall have the following meanings

"Aircraft" means the Airframe together with the Engines (whether or not any of the Engines may from time to time be installed on the Airframe) and the Technical Records

"Airframe" means the airframe more particularly described in the Agreement Details including all Parts now or hereafter installed in or on the airframe and all substitutions, renewals and replacements from time to time made in or to or installed in or on the airframe in accordance with this Mortgage including any Parts which are for the time being detached from the airframe but which remain the property of the Borrower

"Collateral" means all property and rights of the Borrower mortgaged and assigned to the Lender pursuant to Clause 3.1

"Compulsory Acquisition" means in respect of the Aircraft, the Airframe and/or an Engine, requisition for title or other compulsory acquisition of title (but excluding requisition for use or hire) of such Aircraft, Airframe or Engine, as the case may be

"Deregistration Power of Attorney" means the power of attorney to deregister the Aircraft in favour of the Lender in the form set out in Schedule 1,

"Engines" means (a) each of the engines described in the Agreement Details whether or not from time to time installed on the Airframe or any other airframe but which, having been removed from the Airframe, remains the property of the Borrower or (b) any other engine which may from time to time be installed upon or attached to the Airframe which becomes the property of the Borrower and (c) in so far as the same belong to the Borrower, any and all appliances, instruments or accessories or other equipment or Parts of whatever nature from time to time relating to an engine referred to in (a) or (b) above whether or not installed on or attached to such engine and (d) in so far as the same belongs to the Borrower, all substitutions, replacements or renewals from time to time made on or to any items referred to in (a), (b) and (c) above in accordance with this Mortgage

"Eurocontrol" means the Central Route Charges Office, European Organisation for the Safety of Air Navigation

"Eurocontrol Letter" means the letter sent or to be sent by the Borrower to Eurocontrol in respect of air navigation charges in relation to the Aircraft in the form set out in Schedule 6,

"Insurances" means any and all contracts or policies of insurance against loss of or damage to the Aircraft which are now or hereafter required to be effected and maintained in respect of the Aircraft in accordance with Schedule 3

"Insurers" means, in respect of the Insurances, such insurance underwriters and/or insurance companies in the major international insurance markets as may be, from time to time, approved by the Lender in accordance with the terms of this Mortgage

"Loan Agreement" means the loan agreement of even date herewith in respect of the Aircraft made between the Lender and the Borrower

"Losses" means any and all out of pocket costs and expenses (including, without limitation, legal fees and expenses), losses, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, judgements, orders or other sanctions

"Mortgage" means this Mortgage including the Agreement Details and Schedules

"Parts" means, all modules, appliances, parts, accessories, auxiliary power unit, instruments, furnishings and other equipment of whatsoever nature which are from time to time attached to the Airframe or an Engine or which, having been removed therefrom, remains the property of the Borrower

"Permitted Lien" means any Security Interest

- (a) for taxes or other government or statutory charges or levies not yet assessed or, if assessed, not yet due and payable, or
- (b) for the fees or charges of any airport or air navigation authority arising in the ordinary course of business by statute or operation of law, in each case for an amount which is not yet due and payable, or
- (c) for the fees and charges of any repairer, warehouseman, workman or supplier or like lien arising in the ordinary course of business by statute or operation of law in each case for an amount which is not yet due and payable, or
- (d) in favour of the Lender

"RBS Group" means the group of companies of which Royal Bank of Scotland Plc is the ultimate holding company

"Receiver" means any receiver or receiver and manager appointed by the Lender hereunder or under any applicable law

"Requisition Compensation" means any monies or other compensation receivable by the Borrower from any government or public or local authority in relation to the Aircraft in the event of its requisition for title, confiscation, restraint, detention, forfeiture or compulsory acquisition or seizure or requisition for hire by or under the order of any such government or public or local authority

"Secured Obligations" means any and all monies, liabilities and obligations (whether actual or contingent, whether now existing or hereafter arising, whether or not for the payment of money, and including, without limitation, any obligation or liability to pay damages) which are now or which may at any time and from time to time thereafter be due, owing, payable or incurred or be expressed to be due, owing, payable or incurred from or by the Borrower to the Lender including any and all monies, liabilities and obligations (whether the actual or contingent, whether now existing or hereafter arising, whether or not for the payment of money, and including without limitation, any obligation to pay

(damages) which are now or which may at any time and from time to time thereafter be due owing, payable or incurred or be expressed to be due, owing payable or incurred from or by the Borrower to the Lender under or in connection with any of the Transaction Documents

"Security Interest" means any encumbrance or security interest whatsoever howsoever created or arising, including (without prejudice to the generality of the foregoing) any right of ownership security, mortgage, charge, pledge, lien, right of possession or detention, statutory right in rem, hypothecation, lease, title retention, attachment, levy, claim, right of set off (but excluding any right of set off arising in favour of a banker and by way of operation of law) or any right or arrangement having a similar effect to any of the above

"Security Period" means the period commencing on the date hereof and terminating on the date upon which all of the Secured Obligations shall have been paid performed and satisfied in full

"State of Registration" means the country in which the Aircraft is registered from time to time

"Technical Records" means all records logs, technical data and other materials and documentation relating to the Aircraft and the maintenance and operation thereof, including without limitation, those which are from time to time required to comply with the regulations and requirements of the State of Registration or which are kept in purported compliance with such regulations and requirements

"Transaction Documents" means each of this Agreement, the Aircraft Mortgage and any other mortgage loan, lease, lease purchase, assignment, charge, security agreement entered into by the Borrower or any guarantee or other credit support agreement entered into or to be entered into by a Credit Support Provider

"Warranties" means any warranties in respect of the Aircraft given, assigned or extended to the Borrower by any manufacturer, supplier or maintenance provider

1 1 3 Other terms used in this Mortgage with capital initial letters shall have the respective meanings given to them in the Agreement Details

1 2 Interpretation

In this Mortgage

- (a) references to this Mortgage or to any other agreement or deed shall be construed as including references to this Mortgage or to such agreement or deed as amended, supplemented, varied or novated from time to time by agreement between the parties hereto or thereto, as the case may be
- (b) clause headings are for ease of reference only and, unless the context otherwise requires, words denoting the singular only shall include the plural and vice versa,
- (c) reference in this Mortgage to Clauses, paragraphs or Schedules are references to Clauses, paragraphs or Schedules to this Mortgage,
- (d) references to any statute, regulation or other legislative provision shall include the same as amended or re-enacted from time to time and shall also include any statute, regulation or other provision substituted therefor,
- (e) references to a person shall be construed as including references to an individual, company, corporation firm, limited liability partnership, partnership, consortium, joint venture, association, organisation, authority or other unincorporated body of persons, trust or any state or government or international organisation or agency, European Union institution, committee or department, or agency or political sub-division thereof or authority, board or body created or constituted thereby (in each case, whether or not having separate legal personality),
- (f) the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words where a wider construction is possible,
- (g) the Lender and the Borrower shall include their respective successors and permitted assigns and permitted transferees, and
- (h) the words "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any foregoing words

2 COVENANT TO PAY

The Borrower shall pay, perform and discharge the Secured Obligations as and when they become due in accordance with the terms of the Transaction Documents

3 MORTGAGE AND ASSIGNMENT

3 1 As a continuing security for the punctual payment and discharge of the Secured Obligations, the Borrower hereby unconditionally and irrevocably and with full title guarantee

- (a) by way of first priority legal mortgage, mortgages the Aircraft to the Lender,
- (b) assigns and agrees to assign to the Lender absolutely by way of security the proceeds of the Insurances (excluding proceeds in respect of any third party liability) and the Requisition Compensation, and
- (c) assigns and agrees to assign to the Lender absolutely by way of security the whole benefit of and all of its right, title and interest (present and future) in and to the Warranties

3 2 Any Part or Engine which becomes the property of the Borrower pursuant to paragraph 2 5 of Schedule 2 shall, without the need for any further act, become subject to this Mortgage and shall form part of the Collateral

3 3 The Borrower hereby acknowledges that this Mortgage secures the full amount of the Secured Obligations and, to the extent permitted by law, that the property hereby assigned and mortgaged is so assigned and mortgaged for the full discharge of the Secured Obligations

4 RELEASE OF SECURITY

4 1 Subject to the provisions of this Mortgage, if the Secured Obligations shall have been irrevocably paid, performed and discharged in full, the Lender shall, at the request and cost of the Borrower, forthwith do such acts and execute such documents as may be necessary to release and discharge this Mortgage without recourse or warranty (but free and clear of any Security Interest created by the Lender)

- 4.2 Only the Lender will be entitled to give effective discharges for monies hereby secured. The Borrower shall not create any trust or give notice to the Lender of any right, title or claim of any person to this Mortgage or the Collateral other than the Lender. The certificate of an officer of the Lender as to the amount for the time being due to the Lender under this Mortgage shall be conclusive against the Borrower.

5 REPRESENTATIONS AND WARRANTIES

- 5.1 The Borrower represents and warrants to the Lender that

- (a) the Borrower is and shall throughout the Security Period continue to be the sole legal and beneficial owner of the Aircraft,
- (b) there are and will be no Security Interests on or affecting the Collateral or any part thereof (other than Permitted Liens), and
- (c) the Aircraft shall be used in the course of the Borrower's business.

- 5.2 The Borrower hereby represents and warrants to the Lender that it has taken all corporate action necessary to authorise the execution and performance of this Mortgage and the same will not cause the Borrower to be in breach of any agreement to which it is a party or which is binding on any of its assets, or any applicable law or regulation.

- 5.3 The representations and warranties set out in this clause 5 shall survive the execution of this Mortgage and shall be deemed to be repeated on each day until the Secured Obligations are fully satisfied, with reference to the facts and circumstances subsisting at that time.

6 COVENANTS AND UNDERTAKINGS

- 6.1 The Borrower shall, throughout the Security Period

- (a) not create or grant, or permit any other person to create or grant, any Security Interest over the Collateral or any part thereof and shall procure the immediate discharge of any Security Interest which arises or exists in respect of the Collateral or any part thereof other than
 - (i) any Permitted Lien in respect of the Aircraft,
 - (ii) any Security Interest in favour of the Lender,
 - (iii) any other Security Interest disclosed to the Lender in writing prior to the date of the Loan Agreement and confirmed in the written confirmation provided under clause 2.2(c)(ii) of the Loan Agreement,
- (b) not sell, transfer or otherwise dispose of the Aircraft or any part thereof or interest therein other than with the prior written consent of the Lender (which consent the Lender shall have absolute discretion to withhold),
- (c) procure that (i) the Aircraft is registered with the Relevant Authority in the Borrower's name as owner in accordance with all applicable laws and regulations and (ii) this Mortgage is registered on the aircraft mortgages register maintained by the Relevant Authority and the Borrower shall not take or permit any action which could prejudice any such registration,
- (d) take (at its own cost) all other steps required from time to time by applicable law or by customary and established practice or as the Lender may reasonably request to protect and perfect the Lender's interest in the Aircraft as mortgagee,
- (e) procure that the Aircraft
 - (i) possesses a valid certificate of airworthiness issued by the Relevant Authority,
 - (ii) possesses a valid annual release to service issued by the Maintenance Performer, and
 - (iii) is operated in accordance with all applicable laws and in a manner which does not invalidate the Insurances or prejudice the rights of the Lender in respect of the Collateral,
- (f) deliver a copy of each renewed or reissued certificate of airworthiness and a valid annual release to service to the Lender promptly upon such renewal or reissue,
- (g) not, and shall not attempt or join in any steps to, deregister the Aircraft from the register of aircraft maintained by the Relevant Authority without the prior written consent of the Lender (which consent the Lender shall have absolute discretion to withhold),
- (h) promptly give written notice to the Lender of the occurrence of any Event of Default, Potential Default, Total Loss or any condition, event or circumstance which, with the lapse of time, might constitute a Total Loss,
- (i) promptly sign, seal, execute, acknowledge, deliver, file and register (at its own cost) all such additional documents, instruments, agreements, certificates, consents and assurances and do all such other things as may be reasonably necessary or desirable or as the Lender may reasonably request from time to time in order to perfect, protect or preserve the security granted or intended to be granted by this Mortgage,
- (j) procure that each of the operational and maintenance covenants set out in Schedule 2 is complied with, and
- (k) procure that the Aircraft is at all times insured in accordance with the requirements of Schedule 3.

- 6.2 The Borrower shall forthwith give notice of the assignment of the Insurances, substantially in the form set out in Schedule 4, to the Insurers and give notice of the assignment of the Warranties, substantially in the form set out in Schedule 5, to the manufacturer and/or supplier of the Aircraft immediately upon execution of this Mortgage and shall procure that the Insurers and the manufacturer and/or supplier acknowledges such notice.

- 6.3 Following an Event of Default which is continuing the Borrower shall forthwith, upon the request of the Lender but at no cost to the Lender (and without prejudice to the rights of the Lender pursuant to the Deregistration Power of Attorney) execute all such documents or agreements and take all such steps as are within its power and as are required in order to de-register the Aircraft from registration with, and export the Aircraft from, the State of Registration.

7 POSSESSION AND SUBLEASING

- 7.1 The Borrower may, without the Lender's consent, charter the Aircraft for a period of not more than three months on terms under which possession and operational control of the Aircraft will remain with the Borrower or, as the case may be, the Operator provided that the requirements of Schedules 2 and 3 are fully complied with at all times.

- 7.2 The Borrower may deliver possession of the Aircraft, Airframe, any Engine or any Part to the relevant Maintenance Performer or to any other suitably qualified maintenance contractor approved by the Lender for the purpose of performing maintenance or other work required or permitted by this Mortgage.

- 7.3 Save as permitted by clauses 7.1 and 7.2, the Borrower shall not lease or otherwise part with possession of the Aircraft without the prior written consent of the Lender, which consent the Lender may grant or withhold in its absolute discretion.

8 DEFAULT AND REMEDIES

8 1 Without prejudice to the Lender's other rights under this Mortgage or by virtue of applicable law, upon the occurrence of an Event of Default and at any time thereafter the Lender may by written notice to the Borrower declare the security constituted by this Mortgage to have become enforceable and such notice shall be conclusive for the purposes of this Mortgage and this Mortgage shall thereupon become immediately enforceable and thereafter the Lender shall be entitled, without further notice or further demand immediately to exercise all the powers and remedies possessed by it according to applicable law as mortgagee of the Aircraft and in particular, but without limitation

- (a) to apply to any authority in the country in which the Aircraft or any part thereof is located for an enforcement and attachment order in respect of the Aircraft,
- (b) to apply to any court of competent authority for an order for foreclosure absolute so as to vest all the Borrower's right, title and interest in the Aircraft in the Lender absolutely
- (c) to take possession of the Aircraft and to enter upon any land or premises where the Aircraft may be located without being liable to the Borrower (or any lessee of the Aircraft) for or by reason of such entry
- (d) to sell, call in, collect and convert into money the Aircraft to the extent that it is entitled to do so with all such powers in that respect as are conferred by applicable law and by way of extension thereof such sale, calling in, collection and conversion may be made by public or private contract at any place in the world with or without notice to the Borrower, without being liable to account for any loss of or deficiency in the consideration therefor and so that the Lender shall have power in its absolute discretion to postpone any such sale or to proceed to a forced sale without being liable for any loss resulting therefrom (except that resulting from the Lender's wilful misconduct or gross negligence), and for the purposes of this paragraph (d) the Lender may (in its sole discretion) by written notice appoint the Borrower its non-exclusive agent to sell the Aircraft on terms satisfactory to the Lender,
- (e) to repair and maintain the Aircraft,
- (f) to insure the Aircraft against loss or damage,
- (g) to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with or in any way relating to the Aircraft or the Secured Obligations and execute releases or other discharges in relation thereto,
- (h) to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the Aircraft,
- (i) to lay up the Aircraft for such term and generally in such manner and upon such conditions and stipulations as the Lender shall think fit,
- (j) to execute and do all such acts, deeds and things as the Lender may consider necessary or proper for or in relation to any of the purposes aforesaid and
- (k) to appoint (either before or after the Lender shall have entered into or taken possession of the property mortgaged pursuant to this Mortgage or any part thereof) an administrator or agent to execute documents, enforce its rights under this Mortgage and otherwise to act on behalf of the Lender in connection with this Mortgage or to appoint a Receiver of all or any part of the Aircraft upon such terms as to remuneration and otherwise as the Lender shall deem fit and the Lender may from time to time remove any agent or Receiver so appointed and appoint another in his stead and to fix (at or after the time of his appointment) the reasonable remuneration of any such agent or Receiver and, at the Lender's discretion, direct payment thereof out of the proceeds of enforcement of this Mortgage, and any Receiver so appointed shall be the agent of the Borrower and the Borrower shall be liable for such Receiver's actions and defaults to the exclusion of liability on the part of the Lender provided that nothing herein contained shall render the Lender liable to any such Receiver for his remuneration, costs, charges or expenses or otherwise,

and if pursuant to the foregoing powers and remedies the Lender shall sell the Aircraft, neither the purchaser nor any other person shall be under any obligation to continue the term of any lease agreement or charter or other arrangement to which the Aircraft is subject. The Borrower hereby agrees to indemnify and hold the Lender harmless on demand against all Losses suffered or incurred by the Lender (including by way of indemnity or reimbursement of a Receiver) in the exercise of any powers or rights referred to in this clause 8

8 2 Without limiting, and in addition to, the powers conferred upon the Lender (and any Receiver appointed pursuant to clause 8 1) by applicable law, the Lender may at any time after this Mortgage has become enforceable in accordance with the terms hereof or at any time after the occurrence of any Event of Default exercise against the Aircraft any of the rights, remedies, powers, privileges or discretions conferred from time to time by the applicable laws upon a secured party or a mortgagee of property such as the Aircraft

8 3 The proceeds of any sale of the Aircraft under this clause 8 and any other sums received by the Lender pursuant to this Mortgage shall be applied in accordance with the provisions of clause 11 of this Mortgage

8 4 Neither Section 93 nor Section 103 nor Section 109(6) nor Section 109(8) of the Law of Property Act, 1925 of the laws of England nor any laws having equivalent effect in the jurisdiction in which the Aircraft is situated (whether at the time of creation of this Mortgage, the occurrence of an Event of Default or otherwise) or habitually based shall apply

9 POWERS OF RECEIVERS

9 1 Any Receiver appointed under clause 8 1(k) of this Mortgage shall have all the powers conferred on a Receiver by applicable law and by way of addition to but without limiting those powers

- (a) the Receiver shall have all the powers given to the Lender hereunder of taking possession of, calling in, collection, converting into money and selling and dealing with the Aircraft or any part thereof and generally shall be entitled to the same protection and to exercise the same powers and discretions as are given to the Lender hereunder and shall also have such other of the powers and discretions given to the Lender hereunder as the Lender may from time to time confer on him,
- (b) the Receiver shall have the power to compromise and settle all insurance claims for the Aircraft or any part thereof,
- (c) the remuneration of the Receiver may be fixed by the Lender (and may be or include a commission calculated by reference to the gross amount of all monies received or otherwise), and shall be payable out of the proceeds of enforcement of this Mortgage and shall be secured on the Aircraft,
- (d) the Receiver shall have power to make any payment and incur any expenditure which the Lender is by this Mortgage expressly or impliedly authorised to make or incur, and Loss suffered or incurred by the Receiver in the exercise of any of his powers hereunder may be paid or retained by him out of any monies coming into his hands as receiver or may be paid to the Lender, in which case they shall be treated as expenses properly incurred by the Lender,
- (e) the Receiver shall in the exercise of his powers, authorities and discretions conform with the reasonable directions from time to time made and given by the Lender,
- (f) the Lender may at any time require reasonable security to be given for the due performance of the Receiver's duties as receiver and such security may, in the Lender's discretion, be given out of the proceeds of enforcement of this Mortgage and be secured on the Aircraft under this Mortgage, and
- (g) the Lender may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as receiver

- 9 2 Neither the Lender nor the Receiver shall be liable to account as a mortgagee in possession of the Aircraft and neither the Lender nor any Receiver shall be liable for any loss arising from or in connection with the realisation of the Aircraft or otherwise for any act, neglect, default or omission for which a mortgagee in possession might be liable as such (except that resulting from the Lender's or the Receiver's wilful misconduct or reckless disregard with knowledge of the probable consequences)
- 9 3 The foregoing powers of a Receiver shall be in addition to any statutory court granted or other powers of a receiver duly appointed under Section 109 of the Law of Property Act, 1925 of the laws of England (as amended) and Schedule 1 of the Insolvency Act 1986 and the equivalent thereof under any other applicable law and the Receiver shall in any event have and be entitled to exercise all the rights, powers and remedies conferred upon the Lender by this Mortgage and by applicable law with respect to the Aircraft

10 THIRD PARTIES

- 10 1 No person dealing with the Lender or any Receiver shall be concerned to enquire whether an Event of Default has occurred or whether the power which the Lender or such Receiver is purporting to exercise has become exercisable or whether any money remains due on the security of this Mortgage or otherwise as to the propriety or regularity of any sale or other dealing by the Lender or such Receiver with the Aircraft and all the protections to purchasers conferred by applicable law shall apply to such persons dealing with the Lender or such Receiver
- 10 2 The receipt by the Lender or any Receiver of any purchase monies shall effectively discharge the purchaser who shall not be concerned with the manner of application of the same

11 APPLICATION OF MONIES

Any monies relating to the Aircraft (including sale proceeds, insurance proceeds and Requisition Compensation) received by the Lender shall be applied by the Lender as follows

- (a) first in or towards the payment of the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration,
- (b) secondly, in or towards reimbursing the Lender for any Losses together with interest thereupon at the Default Rate from the date of payment of such Losses and in or towards payment of any debts or claims which are by statute payable in preference to the amounts due to the Lender (but only to the extent such debts or claims have such preference),
- (c) thirdly, to the Lender in respect of all interest outstanding in respect of the Loan,
- (d) fourthly, to the Lender in respect of any and all other sums which may be owing to the Lender under the Loan Agreement or any of the other Transaction Documents in such order and such manner as the Lender may in its absolute discretion decide,
- (e) fifthly, to the Lender in respect of the principal outstanding in respect of the Loan, and
- (f) sixthly, any balance shall be paid to the Borrower or whomsoever else may be entitled thereto

12 WAIVER

No failure to exercise and no delay in exercising on the part of the Lender or any Receiver of any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude the further exercise of such one or any other right, power or privilege whether hereunder or otherwise. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by applicable law

13 NOTICES

- 13 1 Unless otherwise expressly provided herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be given in accordance with clause 13 of the Loan Agreement
- 13 2 Nothing herein contained shall affect the right to serve process in any other manner permitted by law

14 FURTHER ASSURANCE

- 14 1 The Borrower shall, at its own cost, from time to time and at all times whether before or after the security constituted by this Mortgage shall have become enforceable at the request of the Lender take such actions and execute such additional documents as the Lender may reasonably require to perfect or give full effect to this Mortgage or for securing the rights or purported rights hereunder of the Lender and shall if and when the United Kingdom ratifies the Convention on the International Recognition of Rights in Aircraft signed at Geneva, Switzerland on the 19th June, 1948 or the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Aircraft Equipment signed at Cape Town on the 16th November, 2001 do all things necessary in the United Kingdom to perfect recognition of this Mortgage
- 14 2 The Borrower shall, at the request of the Lender upon a change (with the Lender's consent) of the state of registration of the Aircraft taking place, execute in favour of the Lender a deed amending or supplementing this Mortgage and/or a mortgage and/or any other document required by the Lender for the purpose of preserving the security intended to be created hereby in such form as the Lender may reasonably request

15 POWER OF ATTORNEY

- 15 1 The Borrower hereby irrevocably and by way of security appoints the Lender and/or any Receiver for the time being holding office jointly and severally (with power of sole signature) to be its attorney (with power to appoint substitute attorneys and to revoke the appointment thereof at any time) for and on its behalf and in its name and as its act and deed
- (a) to execute, seal and deliver and otherwise perfect any such document as is mentioned in clause 14 1,
 - (b) to do all such acts and execute, deliver and perfect all such documents as the Borrower itself could do or execute with reference to or in connection with any of the matters dealt with in this Mortgage, the Loan Agreement or the other Transaction Documents or any documents contemplated by or entered into pursuant hereto or thereto or which may be required or deemed proper for any of the purposes of the security constituted by this Mortgage, the Loan Agreement or the other Transaction Documents or any documents contemplated by or entered into pursuant hereto or thereto and to use its name in the exercise of all or any of the powers conferred by

this Mortgage or the other Transaction Documents or any documents contemplated by or entered into pursuant hereto or thereto upon the Lender and/or the Receiver,

provided always that such power shall not be exercisable by or on behalf of the Lender until the Lender has declared that an Event of Default has occurred

- 15 2 The power of attorney contained in clause 15 1 is coupled with an interest and is granted irrevocably and for value as part of the security constituted by this Mortgage

16 INVALIDITY OF ANY PROVISION

Any provision of this Mortgage which is or becomes invalid, illegal or unenforceable in any jurisdiction shall as to such jurisdiction be ineffective to the extent of such invalidity, illegality or unenforceability without invalidating the remaining provisions hereof, and any such invalidity, illegality or unenforceability shall not render such provision invalid, illegal or unenforceable in any other jurisdiction

17 DELEGATION OF POWERS

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

18 CONTINUING SECURITY

- 18 1 The security created by this Mortgage is in addition to and not in substitution for and shall not in any way be prejudiced or affected by, and shall be without prejudice to, any other security or guarantee now or hereafter held by the Lender for all or any part of the Secured Obligations and may be enforced without the Lender first having recourse to any such security or guarantee and without taking any steps or proceedings against the Borrower or any other person in respect of the Secured Obligations. Without prejudice to the generality of the foregoing, the Lender may exercise any of the rights, powers or remedies conferred upon it by this Mortgage or by law to (a) take action or obtain judgment against the Borrower or any person in any court or otherwise, (b) make or file a claim or proof in a winding up, liquidation, bankruptcy, insolvency, dissolution, reorganisation or amalgamation of, or other analogous event of or with respect to, the Borrower or any other person, or (c) enforce or seek to enforce a payment or performance of, or the recovery of, any of the monies, obligations and liabilities hereby secured or any other security or guarantee for all or any of the Secured Obligations

- 18 2 The Security created by this Mortgage shall not be discharged, impaired or otherwise affected by

- (a) any failure by the Lender to take or enforce any other security or guarantee taken or agreed to be taken for all or any or any of the Secured Obligations,
- (b) any time or other indulgence given or agreed to be given by the Lender to the Borrower or any other person in respect of the Secured Obligations or in respect of the Borrower's or such other person's obligations under any security or guarantee relating thereto,
- (c) any amendment, modification, variation, supplement, novation, restatement or replacement of all or any part of the Secured Obligations or the Loan Agreement or any other Transaction Document,
- (d) any release or exchange of any security or guarantee now or hereafter held by the Lender for all or any part of the Secured Obligations, or
- (e) any other act, fact, matter, event, circumstance, omission or thing (including without limitation the invalidity, unenforceability or illegality of any of the Secured Obligations or the bankruptcy, liquidation, winding up, insolvency, dissolution, reorganisation or amalgamation of, or other analogous event of or with respect to the Borrower or any other person) which, but for this provision, might operate to impair or discharge the rights of the Lender under the Loan Agreement, this Mortgage or any other Transaction Document or which, but for this provision, might constitute a legal or equitable discharge of the security hereby created

- 18 3 Any settlement or discharge between the Lender and the Borrower or any other person shall be conditional upon no security given to or payment to the Lender by the Borrower or any other person, being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to the bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, amalgamation or other analogous event or proceedings for the time being in force

19 VARIATION OF UNDERLYING DOCUMENTS

The Lender may in its discretion (a) grant time or other indulgence or make any other arrangement in respect of any of the monies and liabilities hereby secured or of any other security therefor or (b) vary any provision of the Loan Agreement or any other Transaction Document without prejudice to the security created by this Mortgage which shall not be in any way discharged or impaired by reason of any other circumstance which might (but for this provision) constitute a legal or equitable discharge of such security

20 INDEMNIFICATION

The Lender and any attorney, manager, agent or other person appointed by the Lender or any Receiver hereunder shall be entitled to be indemnified out of the proceeds of any realisation of the security hereby created in respect of all liabilities and expenses reasonably incurred by it, him or them in the execution of any powers, authorities or discretions vested in it, him or them hereby or pursuant hereto

21 ASSIGNMENT

- 21 1 This Mortgage shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and permitted assigns. The Borrower may not assign any of its rights or transfer (or purport to transfer) any of its obligations under this Mortgage. The Lender may assign or transfer any of its rights or obligations under this Mortgage to any assignee of its rights under the Loan Agreement

- 21 2 Any assignee or transferee who acquires an interest or, as the case may be, a part of an interest under this Mortgage in accordance with this clause 21 shall acquire such interest or, as the case may be, such part of an interest in the same manner and to the same extent as the person from whom it acquired such interest or, as the case may be, such part of an interest

22 LAW AND JURISDICTION

- 22 1 This Mortgage shall be governed by and construed in accordance with the laws of England
- 22 2 The Borrower hereby irrevocably and unconditionally agrees for the benefit of the Lender that any suit, legal action or other proceeding (together in this clause 22 referred to as "**Proceedings**") with respect to itself concerning this Mortgage or any document, instrument or agreement required hereunder or entered into in connection herewith may be brought in the courts of England which shall have non-exclusive jurisdiction to settle any disputes arising out of or in connection with this Mortgage and each document, instrument or agreement required hereunder or entered into in connection herewith
- 22 3 The Borrower hereby irrevocably waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any Proceedings brought in any of the courts in the jurisdictions referred to in clause 22 2 and any claim which it may now or hereafter have that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any such proceedings brought in any of the courts referred to in clause 22 2 shall be conclusive and binding upon the Borrower and may be enforced in the courts of any other jurisdiction
- 22 4 Nothing contained in this clause 22 shall limit the right of the Lender to take Proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of Proceedings in one jurisdiction prevent the Lender taking Proceedings in any other jurisdiction, whether concurrently or not Without limiting the generality of the foregoing sentence the Borrower hereby irrevocably submits to the non-exclusive jurisdiction of the courts of England in any action or proceeding brought to enforce or otherwise arising out of or relating to this Mortgage
- 22 5 The Borrower agrees that it will not contest the proper enforcement of any judgment or order obtained in any court in England or in any other jurisdiction

23 COUNTERPARTS

This Mortgage may be executed in any number of counterparts and by different parties hereto or separate counterparts each of which when executed and delivered shall constitute an original but all counterparts together constitute but one and the same instrument

24 SURVIVAL OF INDEMNITIES

The indemnities in favour of the Lender contained in this Mortgage shall continue in full force and effect in accordance with their terms notwithstanding any breach of this Mortgage by the Lender and notwithstanding the payment, performance and discharge of the Secured Obligations in full

25 AUTHORISATION TO FILE

The Borrower hereby authorises the Lender to file or present, an original or a photocopy of this Mortgage with such authorities and in such jurisdictions as it may deem necessary or advisable to perfect, protect or preserve, or to secure the priority of, the security interest created hereby

26 ADDITIONAL SECURITY

This Mortgage shall be in addition to and shall not be in any way prejudiced or affected by any collateral or other security now or hereafter held or judgment or order obtained by the Lender for all or any part of the monies hereby secured nor shall the collateral or other security judgment or order or any lien to which the Lender may be otherwise entitled (including any security charge or lien prior to the date of these presents on the said premises) or the liability of any company or companies person or persons not parties hereto for all or any part of the monies hereby secured be in any way prejudiced or affected by this Mortgage

27 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The parties do not intend that any term of this Mortgage shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Mortgage other than any receiver appointed under clause 8 1(k)

28 DATA PROTECTION

The Borrower hereby agrees that Lombard's Data Protection policy applies Please see Appendix 1 for details

IN WITNESS whereof the parties hereto have caused this Mortgage to be executed with the intention that it take effect as a deed (notwithstanding execution by the Lender under hand) and it is intended to be and it is hereby delivered the day and year first written herein


Keeping the Customer Informed

Lombard would like to inform the Customer about products, services and additional benefits Lombard believes may interest the Customer. Please place a cross in the appropriate box below if the Customer does not want to be kept informed by any of the following methods

Letter ☐ Phone ☐ E-mail ☐ Fax ☐

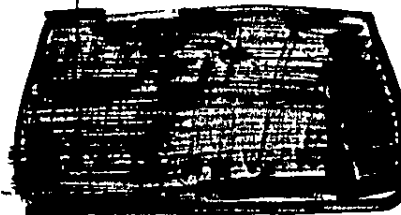
The Customer's Consent

By signing the Customer

- agrees that Lombard may date this Agreement and include dates for any Instalments due under the terms and conditions
- confirms the Customer is duly authorised by other officers and beneficial owners to consent to the searches and use of information in the same way
-  agrees to Lombard's use of the Customer's information, searches and Data Protection policy

The Borrower

EXECUTED as a deed by ROONEY AIR LIMITED acting by



Director



Director/Company Secretary

The Lender

SIGNED by LOMBARD NORTH CENTRAL PLC



acting through its authorised signatory



 RBS

Schedule 1

Form of Deregistration Power of Attorney

The undersigned, **Rooney Air Limited** a company incorporated under the laws of England and Wales and having its registered office at **St Leonards House, North Street, Horsham, West Sussex RH12 1RJ** (the "**Company**") is the registered owner of the **Hawker Beechcraft Corporation Hawker 4000** aircraft bearing manufacturer's serial number **RC-34** and United Kingdom registration mark **G-PROO** (the "**Aircraft**")

As security for the performance of the obligations of the Company under the Loan Agreement dated [] between Lombard North Central PLC (the "**Lender**") and the Company relating to the Aircraft (the "**Loan Agreement**"), the Company **IRREVOCABLY AND UNCONDITIONALLY APPOINTS** the Lender to be its lawful attorney to execute and to do and perform on its behalf and in its name or otherwise to apply for, obtain and deliver any documents, instruments, permits, licences, approvals or certificates with such amendments thereto (if any) which may be required to obtain de-registration of the Aircraft from the register of aircraft maintained by the United Kingdom Civil Aviation Authority and the export of the Aircraft from United Kingdom

AND the Company hereby undertakes to ratify and confirm whatsoever the Lender shall lawfully do or cause to be done by virtue of this Power of Attorney

AND the Company hereby further grants unto the Lender full power and authority to substitute and appoint in its place one or more attorney or attorneys to exercise for it as attorney or attorneys of the Company any or all the powers and authorities hereby conferred and to revoke any such appointment from time to time and to substitute or appoint any other or others in the place of such attorney or attorneys as the Lender shall from time to time think fit

The powers conferred by the Company in this Power of Attorney are irrevocable and unconditional and are granted for value and secure proprietary interests in and the performance of obligations owed to the Lender and shall not terminate unless and until all amounts owing by the Company to the Lender pursuant to the Loan Agreement have been satisfied in full

No failure or delay on the part of the Lender to exercise, and no delay in exercising any right, power or privilege under this Power of Attorney shall operate as a waiver thereof, nor shall the exercise of any right, power or privilege under this Power of Attorney preclude any other or further exercise thereof or the exercise of any other right, power or privilege

The powers as set out in this Power of Attorney shall become effective from the date hereof, but shall become exercisable only following the occurrence of an Event of Default (as that term is defined in the Loan Agreement) which is continuing

This Power of Attorney shall be governed by and construed in accordance with the laws of England

Dated

SIGNED AS A DEED

by _____
acting by its duly authorised secretary in the presence of

This is an example only

Schedule 2

Operational and Maintenance Covenants

- 1 The Borrower shall or shall procure that a person shall
- 1 1 use maintain and repair the Aircraft, the Engines and all Parts in accordance with (i) the Maintenance Programme, (ii) all mandatory rules and regulations of the Relevant Authority to the standard required by the Relevant Authority and (iii) any other regulations or requirements necessary in order to enable the Aircraft at any time to obtain a Certificate of Airworthiness issued by the Relevant Authority plus a valid annual release to service stamp issued by the Maintenance Performer,
 - 1 2 maintain or cause to be maintained (in writing and in English) all logbooks, maintenance records, record books and other documents as are required by the Relevant Authority to the standard required by the Relevant Authority or the Maintenance Programme to be maintained with respect to the Aircraft,
 - 1 3 permit the Lender and its authorised representatives to inspect the Aircraft at any time upon giving reasonable notice and for that purpose grant or use all reasonable endeavours to procure access for the Lender and its authorised representatives to any land or buildings on or in which the Aircraft or any Engine or Part may be stored provided however that any such inspection shall not (unless an Event or Default or a Potential Default has occurred) disturb the normal commercial operation or maintenance of the Aircraft
 - 1 4 promptly pay and discharge or cause to be promptly paid and discharged, as they fall due all costs and expenses of operating, storing and maintaining the Aircraft and performing its obligations under the documents in relation to the Aircraft (including all charges of airport authorities (whether relating to landing fees, parking fees, handling charges or otherwise), all charges imposed by air navigation authorities (including Eurocontrol) and all charges of the Relevant Authority (whether relating to navigation or otherwise) and will on written request by the Lender, supply evidence of the payment of any such charges,
 - 1 5 replace or cause to be replaced promptly any Part of the Aircraft or any Engine in respect of which a Total Loss occurs with a replacement Part or Engine which shall be (i) owned by the Borrower free and clear of all Security Interests other than Permitted Liens (ii) in such operating condition as, and of equivalent or better value to, the replaced Part or Engine was (or would have been if it had been maintained in accordance with the terms hereof),
 - 1 6 make or cause to be made all mandatory or recommended alterations and modifications and additions to the Aircraft and the Engines as may from time to time be required by the Relevant Authority within the time period required by the Relevant Authority or any other relevant authority or the manufacturer of the Aircraft or any Engine,
 - 1 7 comply (on a termination action basis where available) with all mandatory airworthiness directives from time to time issued by the Relevant Authority or any other relevant authority and any modification recommended by the manufacturer of the Aircraft or any Engine in a Mandatory Service Bulletin (unless such Mandatory Service Bulletin is excluded by the Relevant Authority),
 - 1 8 ensure that all inspections, services, repairs, overhauls, tests and modifications to be made or carried out to or on the Aircraft are made or carried out by a maintenance performer approved by the Relevant Authority,
 - 1 9 not suffer any arrest, detention, exercise of a possessory lien, execution, distress or other legal process to be levied or sued out against the Aircraft and in the event of an arrest, detention, exercise of a possessory lien, execution, distress or other legal process as aforesaid, the Borrower shall notify the Lender immediately and shall take all steps necessary to ensure or procure that the Aircraft is promptly released therefrom,
 - 1 10 ensure that such crew and engineers as are employed in connection with the operation and maintenance of the Aircraft have such qualifications and hold such licences as are required by the Relevant Authority and by all other applicable laws and regulations,
 - 1 11 affix and keep affixed to the Aircraft in a prominent position in the cockpit a fireproof metal plate which has inscribed thereon (in legible characters) the following statement

"This Aircraft, its engines and accessories are owned by **Rooney Air Limited** subject to a first priority mortgage in favour of Lombard North Central PLC",
 - 1 12 affix and keep affixed to each of the Engines underneath the cowling a fireproof metal plate which has inscribed thereon (in legible characters) the following statement

"This Engine is owned by **Rooney Air Limited** subject to a first priority mortgage in favour of Lombard North Central PLC "
 - 1 13 operate the Aircraft or cause the Aircraft to be operated only for commercial purposes in the ordinary course of its business and not operate or permit the Aircraft to be operated for testing, training, racing, experimental flying or any other purpose for which it is not designated or reasonably suitable,
 - 1 14 at any time upon giving reasonable notice make available to the Lender for inspection the Technical Records and other log books of the Aircraft and all other repair, maintenance, modification, overhaul or other records kept by the Borrower or any other person in respect of the Aircraft,
 - 1 15 on request, promptly furnish to the Lender all such information regarding the operation, maintenance and condition of the Aircraft as the Lender may reasonably request,
 - 1 16 promptly furnish the Lender with full details of any casualty or other damage or accident to the Aircraft, and
 - 1 17 ensure that the Aircraft shall not be used or operated when the Insurances are not in full force and effect or otherwise at a time or in a manner or in any geographical area which constitutes a breach of the terms of the Insurances or is otherwise inconsistent with the terms of the Insurances

- 2 Until the occurrence of an Event of Default, the Borrower may
 - 2 1 remove any Part (other than an Engine) in the ordinary course of maintenance, service repair, overhaul or testing, if it promptly replaces it with a replacement Part which satisfies the requirements of paragraph 1 5,
 - 2 2 remove any Engine in the ordinary course of maintenance, service, repair, overhaul or testing provided that such Engine is re-installed on the Aircraft, or a replacement engine which satisfies the requirements of paragraph 1 5 is installed on the Aircraft, within thirty days (or such longer period as may be permitted by the Lender) of the removal from the Aircraft of such Engine and provided further that the removed Engine remains the property of the Borrower unless and until a replacement engine satisfying the requirements of paragraph 1 5 is installed on the Aircraft,
 - 2 3 make such alterations and modifications in and additions to the Aircraft as it thinks desirable in the proper conduct of its business or which may arise as a result of an Airworthiness Directive or a Service Bulletin provided that no such alteration, modification or addition (other than an Airworthiness Directive or Mandatory Service Bulletin) breaches the requirements or recommendations of the Relevant Authority, the Maintenance Programme the manufacturer or any other relevant authority or materially diminishes the value or utility of the Aircraft below that prevailing immediately prior to such modification or alteration or impairs the airworthiness of the Aircraft and further provided that no such alteration or modification may be made with or comprising Parts which are not in the absolute legal and beneficial ownership of the Borrower free from all Security Interests other than Permitted Liens,
 - 2 4 remove any Part (other than an Engine) from the Aircraft without replacing it as required pursuant to the terms hereof if such Part (i) is in addition to and not in replacement of any Part previously installed on or attached to the Aircraft, (ii) is not required to be installed on or attached to the Aircraft by the terms hereof and (iii) can be removed from the Aircraft without impairing the airworthiness of the Aircraft or materially diminishing the value of the Aircraft below the value which the Aircraft would have had had such additional Part not been installed thereon or attached thereto,
 - 2 5 whilst an Engine has been removed from the Aircraft in accordance with the provisions of paragraph 2 2, install a replacement engine notwithstanding that such replacement engine is not the property of the Borrower provided that the removed Engine is re-installed, or such other engine as may satisfy the requirements of paragraph 1 5 is installed, on the Aircraft within the period specified in paragraph 2 2 and, further provided that the Engine substituted or replaced by such replacement engine shall at all times remain free from any Security Interest other than Permitted Liens shall remain the property of the Borrower, and shall not cease to be subject to this Mortgage unless and until it is replaced by an engine which satisfies the requirements of paragraph 1 5,
 - 2 6 print or paint its name or other symbol on the Aircraft
- 3 Save insofar as expressly required or permitted by the terms hereof and subject in any case as provided in paragraph 2, the Borrower shall not, without the prior written consent of the Lender
 - 3 1 make any alteration in or modification or addition to the Aircraft, remove any part from the Aircraft or install any Part on or attach any Part to the Aircraft or permit any of the said events to occur,
 - 3 2 cause or permit the Aircraft to be operated in contravention of any airworthiness certificate or the Aircraft operating manual relating thereto for the time being,
 - 3 3 make, do, permit, consent or agree to any act or omission to act (save as permitted or contemplated by this Mortgage) which would or might cause the Aircraft or any Part thereof, to be exposed to penalty, forfeiture, impounding, destruction or abandonment under any applicable law or regulation, or
 - 3 4 hold out or represent or permit the holding out or representation that any member of the crew of the Aircraft is in the employment of the Lender or that the Lender is carrying persons or goods in the Aircraft or are in any way connected or associated (whether for hire or gratuitously) with any operation of the Aircraft undertaken (or on behalf of) by the Borrower
- 4 The Borrower shall promptly notify the Lender
 - 4 1 of any material alterations in or material modifications or additions to the Aircraft,
 - 4 2 of any Security Interest (excluding Permitted Liens) arising on the Aircraft and (in the case of all liens including Permitted Liens) exercised over the Aircraft or any part thereof,
 - 4 3 (if the Lender so requests) the location of the Aircraft and of any Engine which is not, for the time being, installed on or attached to the Aircraft
- 5 The existence of any agreement for maintenance of the Aircraft shall not in any way absolve, negate, reduce or mitigate the Borrower's obligations to maintain the Aircraft in the manner required under this Mortgage

Schedule 3

Insurance Covenants

- 1.1 The Borrower shall effect and maintain (or cause to be effected and maintained) at its own expense in relation to the Aircraft
- (a) Hull All-Risks insurance for loss of or damage to the Aircraft whilst flying and on the ground on an agreed value basis in an amount in the Required Insurance Currency which is no less than the Required Insurance Value,
 - (b) Hull War and Allied Perils insurance, being such risks excluded from the Hull All Risks policy by application of war, hijacking and other perils exclusion clause AVN48B (or subsequent version) to the fullest extent available from the leading aviation insurance markets, including confiscation and requisition by the State of Registration on an "agreed value basis" for an amount in the Required Insurance Currency which is no less than the Required Insurance Value,
 - (c) All risks insurance (including Hull, War and Allied Perils to the fullest extent available) on the Engines and Parts while not installed on the Airframe (and not considered part of the aircraft for insurance purposes) of the Aircraft on an "agreed value basis" for their full replacement cost in the Required Insurance Currency
- 1.2 The insurances required under paragraph 1.1 shall be provided on an agreed value basis (that is to say on the basis that in the event of a total loss the Insurers will pay the specified agreed value rather than the cost of acquiring a replacement aircraft) and the policies shall
- (a) include the Lender and its successors and assigns as additional insured and contract party for its rights and interests,
 - (b) include a reference to the Loan Agreement and this Mortgage,
 - (c) include, in the event of separate insurances being arranged to cover the "Hull All Risks" insurance and the "Hull War Risk" and related insurance, a 50/50 claims funding arrangement in the event of any dispute as to whether a claim is covered by the "Hull All Risks" or "Hull War Risks" policy, wording in the terms of Lloyds clause AVS103 being sufficient for such purpose, and
 - (d) be subject to a deductible (except in the event of Total Loss) of not more than the Permitted Deductible
- 1.3 The Borrower shall effect and maintain (or cause to be effected and maintained) at its own expense in relation to the Aircraft, a policy or policies of insurance covering aircraft third party, passenger, baggage, cargo, mail and airline general third party (including Products, premises and hangerkeepers) legal liability for a combined single limit (Bodily Injury/Property Damage) of not less than the Minimum Liability Cover (and in any event no less than the amount carried in respect of the same or similar aircraft in the Borrower's fleet in the same jurisdiction as the Aircraft) War and Allied Perils Risks shall also be covered in accordance with the then current market practice for aircraft of the same type as the Aircraft
- 1.4 The policies evidencing the insurances required under paragraph 1.3 shall
- (a) include the Lender and its officers, directors, employees, agents and its successors and assigns each as additional insured and as contract parties,
 - (b) provide that all the provisions thereof, except the limits of liability, shall operate to give each named insured the same protection as if there were a separate policy covering each named insured save that this provision shall not operate to include any claim howsoever arising in respect of loss or damage to the Aircraft or relevant spare parts covered under the Hull or Spares Insurance, it being understood that notwithstanding the foregoing the total liability of Insurers in respect of any and all insureds shall not exceed the limits of liability stated in the policy, and
 - (c) be primary and without right of contribution from other insurance which may be available to the Lender or any of its officers, directors, employees, agents and its successors and assigns
- 1.5 The policies evidencing any Insurances with respect to the Aircraft required under paragraphs 1.1 and 1.3 shall
- (a) provide that the cover afforded to the additional insured shall not be invalidated by any act or omission (including misrepresentation and non-disclosure) of any other person or party which results in a breach of any term, condition or warranty of the policy **provided that** the additional insured so protected has not caused, contributed to or knowingly condoned the said act or omission,
 - (b) provide for worldwide coverage (subject only to such exceptions as are consistent with generally accepted market practice from time to time or such other exceptions as the Lender may reasonably agree in writing),
 - (c) provide that the Insurers shall waive any right of subrogation to any right against the Lender, any of its officers, directors, employees, agents and its successors, transferees and assigns,
 - (d) provide that the Lender shall not be liable for any premiums in respect thereof and that the Insurers shall not exercise any right of set-off or counterclaim in respect of unpaid premiums or otherwise against the interest of the Lender otherwise than in respect of unpaid premiums with respect to the Insurances of the Aircraft, and
 - (e) provide that the required insurances may only be cancelled or materially altered in a manner adverse to the additional insureds and contract parties by the giving of not less than thirty days notice in writing (but seven days or such lesser period as may be customarily available in respect of War and Allied Perils) to the Lender. Notice shall be deemed to commence from the date such notice is given by the Insurers. It is understood that such notice will not, however, be given at normal expiry date of the policy or any endorsement
- 1.6 All Insurances required under paragraphs 1.1 or 1.3 shall be maintained with such insurance underwriters and/or insurance companies as the Lender may reasonably approve
- 1.7 The Borrower shall, in relation to the Aircraft, at its own cost and expense
- (a) furnish or procure that there is furnished to the Lender, forthwith upon the date not later than seven days after the renewal date of each Insurance, a certificate or certificates, as hereinafter described, signed by the relevant Insurers (or their authorised representatives) or brokers, reasonably acceptable to the Lender, which have been appointed by the Borrower (the "**Brokers**") providing evidence of insurance coverage pursuant to this Schedule 3. Each such certificate shall (i) describe the perils covered by each policy of insurance issued by it then in force, (ii) specify the amounts of insurance coverage provided against each such peril and any deductible or uninsured amount and (iii) certify that each such policy is then in full force and effect,
 - (b) furnish or procure that there is furnished to the Lender, on written request, evidence of (a) payment of each sum then due and payable under or in connection with any required Insurance and (b) before or on the expiry of any policy or policies in respect of such Insurances, renewal of the relevant policy or policies or that renewal will be effected on expiry,
 - (c) procure that the relevant Insurers or Brokers provide the Lender with such other information as to any Insurances as the Lender may reasonably request
- 1.8 The parties hereby agree that, subject in each case to the proviso to this paragraph 1.8, the following provisions shall apply with respect to the distribution of proceeds of the Insurances and any re-insurances

- (a) all proceeds of a Total Loss shall be paid in full to the Lender or as the Lender shall direct without any deduction or deductions whatsoever subject to deductions for unpaid premiums relating to the Aircraft,
 - (b) all proceeds in respect of a partial loss or in respect of repairable damage to the Aircraft or an Engine shall be paid directly to the repairer or to the person who has paid for such repairs on production of the relevant invoices **provided that** if the proceeds of insurance in respect of such a partial loss are equal to or exceed the Minor Damage Limit then they shall be paid in full to the Lender or as the Lender shall direct without any deduction or deductions whatsoever,
 - (c) all proceeds of loss of or damage to an Engine which does not constitute repairable damage shall be paid in full to the Borrower or to the seller of an engine which the Lender's has accepted as a replacement for the Engine which has suffered a Total Loss
- 1 9 The Borrower shall, in relation to the Aircraft and at its own cost and expense, cause the relevant Brokers to issue a written undertaking in favour of the Lender in such form as the Lender may reasonably approve having regard to market practice at such time which shall, subject as aforesaid, inter alia, (i) require such Brokers to notify the Lender forthwith upon such Brokers becoming aware of any cancellation or non-renewal of or modification to a required Insurance or of their ceasing to act as insurance brokers to the Borrower or of any other fact or circumstance of which they may at any time learn which might invalidate any required insurance or render it wholly or partially unenforceable and (ii) require the Brokers to provide the Lender with a certificate of insurance at the same time as the Broker supplies the same to the Borrower
- 1 10 The Borrower shall, in relation to the Aircraft, forthwith notify the Lender of any event (including but not limited to a Total Loss) which will or may give rise to a claim under any required Insurance
- 1 11 The Borrower shall not in relation to any required Insurance taken out in respect of the Aircraft
- (a) make or permit the making of any modification to any required Insurance without the prior written consent of the Lender, or
 - (b) do or omit to do or permit to be done or left undone anything whereby any required Insurance would or might reasonably be expected to be rendered in whole or in part invalid or unenforceable and, without prejudice to the foregoing, shall not use or keep or permit the Aircraft or any part thereof to be used or kept for any purpose, in any manner or in any place not covered by the required Insurances, or
 - (c) cause or knowingly permit the Aircraft to be employed or used in any place or in any manner or for any purpose inconsistent with the terms of or outside the cover provided by any required Insurances or if the Insurances have lapsed
- 1 12 The Borrower shall, in relation to any required Insurance taken out in relation to the Aircraft, bear any part of any loss or liability which is to be borne by the insured under any required Insurance (notwithstanding that such Insurance names the Lender or other person as additional named insured)
- 1 13 The Borrower shall, in relation to any required Insurance taken out in relation to the Aircraft, reimburse the Lender on demand the amount of any premiums or premium instalments which the Lender may pay together with interest thereon calculated for the period from the date of payment by the Lender until the date of payment by the Borrower (after as well as before judgment) at the Default Rate
- 1 14 If the Borrower shall fail to maintain or cause to be maintained Insurances which in the opinion of the Lender meet the requirements hereof, the Lender may at its option, after notice in writing to the Borrower, obtain such Insurances and in such event the Borrower shall, upon demand, reimburse the Lender for the cost thereof together with interest thereon for the period from the date of payment by the Lender to the date of payment by the Borrower (after as well as before judgment) at the Default Rate
- 1 15 Without in any way limiting the Borrower's obligations under the other provisions of this Schedule 3, the Borrower undertakes that if, at any time, clause "AVN2000 Date Recognition Exclusion Clause" or any equivalent clause is endorsed on the policies of insurance required hereunder, the Borrower shall, at its cost and expense, do all things and take any and all such action available to it to ensure that the interests of the Lender under such policies of insurance are fully protected (including, without limitation, ensuring that clauses "AVN2001 Date Recognition Limited Coverage Clause" and "AVN2002 Date Recognition Limited Coverage Clause" or any equivalent clauses are endorsed on the policies of insurance required hereunder as soon as possible thereafter) If at any time the Lender shall be of the opinion (acting reasonably) that the interests of the Lender in the insurances are not adequately protected by reason of the operation of clause "AVN2000 Date Recognition Exclusion Clause" or any equivalent clause, the Lender may (but shall not be obliged to) take out such policy of insurance to insure the Lender against such risks as the Lender may think fit (acting reasonably) and the Borrower shall indemnify and does hereby indemnify the Lender against any and all costs incurred in connection therewith

Schedule 4

Notice and Acknowledgement of Assignment of Insurances

To [

]

Dated

Hawker Beechcraft Corporation Hawker 4000 aircraft bearing manufacturer's serial number **RC-34** and **United Kingdom** registration mark **G-PROO**

We hereby give you notice that by a Mortgage dated [] (the "**Mortgage**") and made between **Rooney Air Limited** (the "**Borrower**") and **Lombard North Central PLC** (the "**Lender**"), the Borrower has assigned to the Lender the proceeds of the Insurances (excluding proceeds in respect of any third party liability)

Kindly acknowledge receipt of this notice by sending to the Lender an acknowledgement in the form attached hereto

Terms used herein shall, unless defined herein and unless the context otherwise requires have the same meaning as in the Mortgage (including terms defined therein by reference to another document, instrument or agreement)

This is an example only

ROONEY AIR LIMITED

By

Title

To **LOMBARD NORTH CENTRAL PLC**

We acknowledge receipt of this notice and confirm that we have not previously received any notice of any other assignment of the interest of **ROONEY AIR LIMITED** in the above-mentioned Insurances

By

This is an example only

Name

Title

Company

Schedule 5

Notice and Acknowledgement of Assignment of Warranties

To [Manufacturer/Supplier]

Dated

Hawker Beechcraft Corporation Hawker 4000 aircraft bearing manufacturer's serial number **rc-34** and United Kingdom registration mark **G-PROO**

We hereby give you notice that by a Mortgage dated [] (the **Mortgage**) and made between **Rooney Air Limited** (the **Borrower**) and Lombard North Central PLC (the **Lender**), the Borrower has assigned to the Lender all of its right, title and interest in, to and under, inter alia, the Warranties. Until the Lender notifies you that it is exercising its rights under the Mortgage we shall be entitled to exercise all rights and remedies arising out of or in connection with the Warranties and you are to continue performing your obligations under the Warranties in our favour.

Kindly acknowledge receipt of this notice by sending to the Lender an acknowledgement in the form attached hereto.

Terms used herein shall, unless defined herein and unless the context otherwise requires, have the same meaning as in the Mortgage (including terms defined therein by reference to another document, instrument or agreement).

This is an example only

ROONEY AIR LIMITED

By

Title

To LOMBARD NORTH CENTRAL PLC

We acknowledge receipt of this notice and confirm that we have not previously received any notice of any other assignment of the interest of **ROONEY AIR LIMITED** in the above-mentioned Warranties.

By

Name

Title

Schedule 6

FORM OF EUROCONTROL LETTER

[TO BE TYPED ON BORROWER / OPERATOR LETTER HEADED PAPER]

The Director of the Central Route Charges Office
European Organisation for the Safety of Air Navigation (EUROCONTROL)
Rue de la Fusée, 96
1130 BRUXELLES
Belgium

Date

Dear Sirs

Re Air Navigation Charges in respect of one (1) **Hawker Beechcraft Corporation Hawker 4000** aircraft bearing manufacturer's serial number **RC-34** and **United Kingdom** registration mark **G-PROO** (the 'Aircraft')

We have mortgaged the Aircraft in favour of Lombard North Central Plc (the "Lender") as security for sums payable by us under loan agreement(s)

We wish to enable the Lender to monitor the value of air navigation charges incurred by us in relation to the Aircraft and all other aircraft operated by us

We hereby irrevocably and unconditionally authorise you, upon request by the Lender or its assigns and its duly authorised agents from time to time, to provide the Lender with a general statement of account, in relation to charges incurred by us and due to Eurocontrol, in accordance with the procedures established by EUROCONTROL

We hereby undertake to reimburse you in respect of any extra costs which you may incur as a result of providing such general statements of account or other information

This authorisation may only be revoked or amended by a written instruction by the Lender (or its assignees)

Yours faithfully

This is an example only

For and on behalf of

ROONEY AIR LIMITED

Name
Title