



Registration of a Charge

Company Name: **FLY LLANBEDR LIMITED**

Company Number: **08866828**



XB5LQBY9

Received for filing in Electronic Format on the: **06/06/2022**

Details of Charge

Date of creation: **06/06/2022**

Charge code: **0886 6828 0002**

Persons entitled: **ARKLE FINANCE LTD**

Brief description: **MARK: G-BRBA MANUFACTURER'S SERIAL NUMBER: 28-7916109
MANUFACTURER NAME & MODEL: PIPER PA-28-161 CHEROKEE
WARRIOR II FIXED-WING LAND PLANE YEAR OF MANUFACTURER: 1979**

Contains fixed charge(s).

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT
TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC
COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION
FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by: **CHRISTINE WARREN**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8866828

Charge code: 0886 6828 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 6th June 2022 and created by FLY LLANBEDR LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th June 2022 .

Given at Companies House, Cardiff on 8th June 2022

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

BRBA
A4952

(1) ARKLE FINANCE LIMITED

(2) FLY LLANBEDR LTD

AIRCRAFT MORTGAGE

I hereby certify this is a true copy 06/06/2022 CLWarter

CONTENTS

1.	Definitions and Interpretation	1
2.	Representations and warranties.....	6
3.	Mortgage.....	6
4.	Assignment.....	7
5.	Continuing security and other securities	7
6.	General covenants	8
7.	Insurances	8
8.	Insurance covenants	10
9.	Application of insurance proceeds	12
10.	Covenants concerning the Aircraft	12
11.	Leasing and chartering.....	14
12.	Notification information and access.....	14
13.	Enforceability of security	15
14.	Enforcement of security	17
15.	Receiver.....	18
16.	Application of proceeds.....	19
17.	Power of attorney	19
18.	Protection of third parties	19
19.	Powers of Mortgagee	20
20.	Further assurance	20
21.	Indemnity and liability	20
22.	Mortgagee's right of retention and set-off.....	21
23.	Costs and interest.....	22
24.	General.....	22
25.	Notices	22

26. Law and jurisdiction	23
Schedule 1 The Aircraft	26
Schedule 2 Notice of Assignment	27
Schedule 3 Nameplate Description.....	28

THIS MORTGAGE is made on

06/06/2022

BETWEEN:-

- (1) **Owner** : FLY LLANBEDR LTD a company registered in England under company number 08866828 whose registered office is at 49 Liverpool Road North, Burscough, Ormskirk, L40 0SA
- (2) **Mortgagee** : ARKLE FINANCE LIMITED, a company registered in England (registered number 3398034), whose registered office is at 52-60 Sanders Road, Wellingborough, Northamptonshire, NN8 4BX.

BACKGROUND

- 0.1 The Owner is the sole and absolute owner of the Aircraft.
- 0.2 By an agreement dated 06/06/ 2022 (the **Loan Agreement**) between the Owner as Borrower and the Mortgagee as Lender, the Owner has agreed to execute and deliver in favour of the Mortgagee a first priority mortgage over the Aircraft.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

In this Mortgage:

- 1.1 the following words and expressions shall have the following meanings unless otherwise stated:
- Aircraft** : the aircraft described in Schedule 1 and including the Engine and all Equipment, all replacements, renewals and additions made to it and the Manuals and Technical Records.
- Aviation Authority** : the United Kingdom Civil Aviation Authority.
- Encumbrance** : includes any mortgage, pledge, lien, charge, right of set off, 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** : the engine described in Schedule 1 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 and accessories from time to time belonging to, installed on or relating to such engines.
- Equipment** : all appliances, parts, spare parts, instruments, appurtenances, accessories, replacements, furnishings and equipment of any kind whatever which are or become installed in or attached to or used with or for the Aircraft.
- Insurances** : all contracts and policies of insurance which are from time to time, or are required to be, effected and maintained under this Mortgage.
- Loan Agreement** : has the meaning set out in the Background above.
- Manuals and Technical Records** : all such records, logs, manuals, technical data and other materials and documents relating to the Aircraft as were delivered at the time of the purchase of the Aircraft or as have since been or shall be acquired by the Owner or any third party in relation to the Aircraft or as shall from time to time be required to comply with the regulations and requirements of the Aviation Authority.
- Mortgage** : this document, including the Schedules, as amended, modified or supplemented from time to time in accordance with its terms.
- 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 section 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 does 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** : any receiver, administrative receiver, trustee and/or manager appointed pursuant to this Mortgage or under any statutory power.
- Required Insurance Value** : £65,000 or such other amount as the Mortgagee may require.
- Requisition Compensation** : includes all money or other compensation payable by reason of requisition for title to or other compulsory acquisition of the Aircraft.

- Secured Liabilities** : all money whether principal, interest or otherwise and all other obligations and liabilities whatever, actual or contingent, which are now or at any time hereafter become, due or owing to the Mortgagee by the Owner either alone or jointly with any other person, including under or in connection with this Mortgage or in any other way whatever.
- Security Assets** : the Aircraft, the Insurances, the Requisition Compensation and all other assets the subject (or expressed to be the subject) of this security.
- Security Period** : 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.
- Taxes** : includes all present and future income and other taxes, levies, imposts, duties, deductions, charges, fees and withholdings together with any applicable interest and penalties.
- Total Loss** : a) the actual or constructive or arranged 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);
- b) the hijacking, theft or other compulsory acquisition of the Aircraft;
- c) the seizure, arrest, capture, condemnation, detention, confiscation or requisition for use or hire of the Aircraft by any government or by persons acting or purporting to act on behalf of any government; or
- d) the Aircraft's being destroyed, damaged beyond economic repair or permanently rendered unfit for normal use for any reason whatever.

- Total Loss Date** : a) in the case of an actual total loss, the actual date on which the loss occurs or, if such date is unknown, the day on which the Aircraft was last heard of;
- b) in the case of any of the events described in paragraph (a) of the definition of Total Loss (other than an actual total loss), whichever is the earlier of (i) 30 days after the date on which notice claiming such total loss is given to the relevant insurers, and (ii) the date on which such loss is admitted or compromised by the insurers;
- c) in the case of any of the events described in paragraph (d) of the definition of Total Loss, the date on which such destruction, damage or rendering unfit occurs;
- d) in the case of any of the events described in paragraph (c) of the definition of Total Loss, the date on which the relevant requisition for use or hire, seizure, arrest, capture, condemnation, detention or other compulsory acquisition or confiscation occurs;
- e) in the case of any of the events described in paragraph (b) of the definition of Total Loss, the expiry of the period of 30 days after the date upon which the relevant hijacking, theft or other compulsory acquisition occurred.

- 1.2 any reference to the plural includes the singular and vice versa.
- 1.3 any reference to one gender includes all genders.
- 1.4 any reference to a person includes natural persons, corporate bodies, partnerships, firms, unincorporated bodies and all legal persons whatever.
- 1.5 headings are given for convenience only and do not affect interpretation.
- 1.6 any reference to a clause or Schedule is a reference to a clause or Schedule in or to this Mortgage.
- 1.7 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.

- 1.8 any reference to the Mortgagee includes a reference to its successors and assigns and persons deriving title under or through them.
- 1.9 any reference to any document (including this Mortgage) includes such document as from time to time is varied or supplemented.

2. REPRESENTATIONS AND WARRANTIES

- 2.1 The Owner represents and warrants to the Mortgagee that:
 - 2.1.1. it is the sole, absolute, legal and beneficial owner of the Security Assets including in particular the Aircraft;
 - 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;
 - 2.1.3. neither the Security Assets nor any part of them is subject to any Encumbrance, save this Mortgage and any International Interest recorded in favour of the Mortgagee in respect of 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. at the time of execution of this Mortgage the Aircraft is situated in England.
- 2.2 The representations and warranties contained in clause 2.1 (save for clause 2.1.5) 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.

3. MORTGAGE

- 3.1 As security for payment of the Secured Liabilities the Owner with full title guarantee mortgages the Aircraft to the Mortgagee by way of first priority fixed mortgage.
- 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).

- 3.3 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.
- 3.4 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.
- 3.5 The security created by this Mortgage shall be discharged upon the request and at the cost 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 however arising, this security and the liability of the Owner under this Mortgage shall continue as if there had been no such discharge or arrangement.

4. ASSIGNMENT

- 4.1 The Owner with title guarantee assigns absolutely to the Mortgagee all its rights, title and interest in or to the Insurances, the Requisition Compensation and all money payable in respect of a Total 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 clause 4.1 and in particular but without limitation the Owner shall immediately give notice to its insurance broker in the form set out in Schedule 2 and cause its insurance broker to give notice to the insurers of the assignment of the Insurances and shall procure that its insurance broker shall acknowledge such notice to the Mortgagee in a form satisfactory to the Mortgagee.
- 4.3 Subject to clause 9, if for any reason whatever, 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 money held by or on behalf of the Owner.

5. CONTINUING SECURITY AND OTHER SECURITIES

- 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.

- 5.2 The security given by this Mortgage shall be in addition to and shall not be affected by or affect any other Encumbrance now or afterwards 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).
- 5.3 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. GENERAL COVENANTS

- 6.1 The Owner covenants with the Mortgagee that throughout the Security Period it will:
- 6.1.1. pay, on demand, the Secured Liabilities to the Mortgagee and 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;
 - 6.1.2. comply at all times with the terms (express or implied) of this Mortgage and the Loan Agreement;
 - 6.1.3. not create or permit to subsist any Encumbrance on all or any part of the Security Assets except for the Permitted Encumbrances;
 - 6.1.4. not do or permit to be done any act or thing which might jeopardise the rights and interests 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;
 - 6.1.5. not pledge the credit of the Mortgagee for any purpose or in any manner whatever;
 - 6.1.6. not assign, sell, transfer or otherwise dispose of or abandon all or any part of the Security Assets; and
 - 6.1.7. not do, and will use all endeavours to prevent, any act which could result in the Aircraft being arrested, confiscated, seized or impounded.

7. INSURANCES

- 7.1 Throughout the Security Period the Owner will at its own expense maintain in full force and effect insurance of the Aircraft with insurers approved in writing 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 damage to and destruction of property) and without prejudice to the generality of the above the Owner shall maintain:

- 7.1.1. all risks hull insurance on the Aircraft whilst flying and on the ground for an agreed value not less than the Required Insurance Value (to include insurance on the Engines whilst removed from the Aircraft in an amount not less than their replacement cost);
- 7.1.2. war and allied risks insurance on the Aircraft covering all those risks enumerated in Lloyd's form AVN 48B (other than paragraph (b)) in accordance with Lloyd's form LSW 555B or LSW 555C or AVN 51 as appropriate or any successor wording for an agreed value not less than the Required Insurance Value (to include insurance on the Engines whilst removed from the Aircraft in an amount not less than their replacement cost);
- 7.1.3. aircraft third party, passenger, baggage, cargo, mail and general third party (including products) legal liability insurance in respect of the Aircraft to a combined single limit of not less than the requirements of the Aviation Authority or Regulation (EC) 785/2004 (whichever is greater) to include war and allied risks in accordance with extended coverage endorsement (AVN 52E or any successor wording as required by the Mortgagee).

7.2 The Owner shall procure that each of the Insurances provides that:

- 7.2.1. the Mortgagee (and in the case of the liability insurance, together with its employed and directors) is included as an additional named insured and the Mortgagee's interest as assignee of the Insurance under the hull and hull war and allied risks insurance is noted;
- 7.2.2. 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 insured by it;
- 7.2.3. all payments to be made by the insurers (except in respect of the liability insurances, or as provided by clause 9 or to the extent such payments exceed the amount of the Secured Liabilities) shall be made in pounds sterling direct to the Mortgagee as sole loss payee;
- 7.2.4. the cover afforded to the Mortgagee by the policy 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 Mortgagee has not caused contributed to or knowingly condoned the said act or omission;

- 7.2.5. 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 AVS 103A;
- 7.2.6. the insurers shall waive their rights of subrogation against the Mortgagee and its directors and employees;
- 7.2.7. the Mortgagee shall have no responsibility for premium and insurers shall waive any right of set-off or counterclaim against the Mortgagee except in respect of outstanding premium in respect of the Aircraft;
- 7.2.8. the insurance may not be cancelled or materially changed so as in any way to affect adversely the Mortgagee until the expiry of 30 days (or 7 days or such lesser period customarily available in the case of the war and allied risks insurance) from the giving of notice by insurers of such proposed cancellation or change; and
- 7.2.9. if applicable, there is an airline finance/lease contract endorsement in the form of AVN 67B (as from time to time amended, varied or supplemented).
- 7.3 The Owner warrants that all information given by it or on its behalf to insurers in connection with the Insurances is and will from time to time be true and complete in all material respects.
- 7.4 If the Insurances are not maintained in full force and effect, or if the Mortgagee reasonably considers that any change in circumstances has occurred or may occur which may materially affect the Insurances, the Mortgagee may require the Aircraft to remain at, or proceed to and remain at, any airport reasonably nominated by the Mortgagee until the Mortgagee is reasonably satisfied that the Insurances are, and are likely to remain, in full force and effect.
- 7.5 The Owner shall bear any part of any loss or liability which is to be borne by the insured under the Insurances notwithstanding that such policy might have been taken in joint names.
- 7.6 The Mortgagee may from time to time stipulate other requirements for the 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.

8. INSURANCE COVENANTS

- 8.1 Throughout the Security Period the Owner will:

- 8.1.1. 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 under them repayable in whole or in part;
- 8.1.2. not cause or permit the Aircraft to be operated in any manner or place or for any purpose not permitted by, outside the cover provided by or inconsistent with the Insurances;
- 8.1.3. provide to the Mortgagee copies of all communications to or from the insurers;
- 8.1.4. duly pay all premiums, calls, contributions or other sums of money from time to time payable in respect of the Insurances;
- 8.1.5. commence renewal negotiations for each of the Insurances not less than 30 days prior to the expiration date and not less than 10 business days before the expiration date give a status report to the Mortgagee and prior to the expiration date confirm to the Mortgagee in writing that such insurance has been renewed and within 7 days of the renewal date furnish the renewal certificate of insurance to the Mortgagee;
- 8.1.6. immediately upon the effecting of any of the Insurances, give written notice of it to the Mortgagee stating the full particulars of it, and on request produce the receipts for each sum paid by it pursuant to clause 8.1.4;
- 8.1.7. inform the Mortgagee about any claims or events giving rise to claims immediately in reasonable detail;
- 8.1.8. whenever the Owner receives payment of any money assigned by this Mortgage, save as provided in this Mortgage, immediately pay over such money to the Mortgagee and until such time hold such money in trust for the Mortgagee;
- 8.1.9. comply with all requirements from time to time regarding insurance in connection with the Aircraft imposed by the state of registration of the Aircraft and any state to, from or over which it is flown;
- 8.1.10. disclose this Mortgage 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;
- 8.2 If a Total Loss occurs, the Owner will pay the Required Insurance Value to the Mortgagee by no later than 45 days after the Total Loss Date.

9. APPLICATION OF INSURANCE PROCEEDS

9.1 All sums receivable in respect of the Insurances after the security created by this Mortgage becomes enforceable and all sums receivable in respect of a Total 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 permitted by law or as specified in clause 16. Provided that:

- 9.1.1. Each sum receivable otherwise than under the liability insurance shall be paid in full to the Owner or its order and shall be applied by it for the purpose of making good the loss and fully repairing all damage in respect of which the money shall have been received.
- 9.1.2. 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 money expended in satisfaction of such liability.

10. COVENANTS CONCERNING THE AIRCRAFT

10.1 Throughout the Security Period the Owner will at its own cost:

- 10.1.1. maintain the registration of the Aircraft on the United Kingdom Register of Civil Aircraft in the name of the Owner as owner and ensure that nothing is done or omitted by which such registration is imperilled;
- 10.1.2. obtain and maintain in full force and effect all certificates, licences, permits and authorisations necessary or desirable in connection with the use and operation of the Aircraft including in particular (without limitation) an unrestricted certificate of airworthiness for the proposed purpose of the operation of the Aircraft and all applicable certificates of maintenance;
- 10.1.3. procure that the Aircraft is serviced, repaired and maintained in a fully airworthy condition so as not to diminish its value and in accordance with the manufacturer's maintenance programme and all appropriate laws, rules, regulations, orders, mandatory modifications, alert service bulletins and other legal requirements of the Aviation Authority;
- 10.1.4. ensure that no Engine or Equipment is removed except in the ordinary course of maintenance or repair and that any Engine or Equipment so removed is properly and safely stored and as soon as possible reinstalled or replaced by another Engine or other Equipment, as the case may be, of substantially the same kind, value

and utility in good operating condition and beneficially owned by the Owner free from Encumbrances;

- 10.1.5. ensure that the Aircraft complies with and is operated in accordance with the Manuals and Technical Records and all applicable laws and regulations;
- 10.1.6. not cause or permit to be made any change in or to the Aircraft except as required by the Aviation Authority the manufacturer or this Mortgage;
- 10.1.7. ensure that the Aircraft is based in and operated from the United Kingdom, is not located outside the United Kingdom for a period of more than 10 consecutive days 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;
- 10.1.8. Ensure that the Aircraft is, at all times when not being operated, properly and safely hangared and sheltered where this is reasonably possible;
- 10.1.9. 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;
- 10.1.10. 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;
- 10.1.11. maintain accurate, complete and current records, logs and other documents regarding the Aircraft as required by the Aviation Authority and all applicable laws and regulations;
- 10.1.12. affix and keep uncovered a fireproof nameplate in a prominent position on the flight deck of the Aircraft and on each Engine in accordance with the text set out in Schedule 3 and keep affixed on the front of each of the Manuals and Technical Records a notice in accordance with such text;
- 10.1.13. do all such acts and things as may be necessary or reasonably required by the Mortgagee to perfect recognition of the Mortgagee's interest in the Aircraft as provided by the Geneva Convention 1948 on the International Recognition of Rights in Aircraft;

- 10.1.14. not represent or hold out the Mortgagee as carrying goods or passengers or being in any way associated or connected with the operation of the Aircraft.

11. LEASING AND CHARTERING

- 11.1 Throughout the Security Period the Owner will not without the Mortgagee's prior written consent, such consent not to be unreasonably withheld, lease, charter, hire or otherwise part with possession or operational control of the Aircraft except:

- 11.1.1. for the purposes of maintenance or repair, provided that if the cost of it is likely to exceed £[5,000] (or equivalent), the Owner will first have obtained an undertaking from the person taking possession not to exercise any lien on the Aircraft.

12. NOTIFICATION INFORMATION AND ACCESS

- 12.1 Throughout the Security Period the Owner will:

- 12.1.1. immediately notify the Mortgagee (by email or fax) of any distress on the Aircraft or its arrest, capture, detention, seizure, condemnation, compulsory acquisition or requisition or if any such action is threatened;
 - 12.1.2. immediately notify the Mortgagee (by email or fax) of the occurrence of any accident or other event which has resulted in or may result in a Total Loss or in damage likely to cost in excess of £[] to repair;
 - 12.1.3. immediately notify the Mortgagee (by email or fax) of the occurrence or impending or likely occurrence of any event referred to in clause 13;
 - 12.1.4. immediately notify the Mortgagee (by email or fax) of any change in the address at which the Aircraft is ordinarily kept and of any address where it may temporarily be kept;
 - 12.1.5. give the Mortgagee upon request copies of all material documents and all reasonable information regarding the Aircraft (including without limitation regarding its location, operation, use, insurance, maintenance and condition);
 - 12.1.6. 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;

- 12.1.7. provide the Mortgagee at not less than 6-monthly intervals and whenever reasonably requested by the Mortgagee with a status report on the Aircraft and Engines indicating:
- a. the serial numbers of the Engines then installed on the Aircraft;
 - b. the serial numbers, condition and whereabouts of any Engine not then installed on the Aircraft;
 - c. the hours available on the airframe and Engines until next overhaul; and
- 12.1.8. give the Mortgagee prior written notice if the Aircraft is to be operated outside the United Kingdom and, in particular, in or within the United States of America or Canada and prior to the commencement of such operation ensure that the third party insurance liability figure is increased to such an amount as the Mortgagee may reasonably require.

13. ENFORCEABILITY OF SECURITY

- 13.1 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 and the Mortgagee may immediately without notice, enforce the security created by this Mortgage if (whether or not caused by any reason whatever outside the control of the Owner or any other person):
- 13.1.1. the Owner fails to pay on the due date any amount payable by it under this Mortgage or the Loan Agreement;
 - 13.1.2. 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;
 - 13.1.3. 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 (with or without other parties) including, for the avoidance of doubt and without prejudice to the generality of the foregoing, the Loan Agreement;
 - 13.1.4. any other indebtedness of the Owner 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 of it occurs, or any such indebtedness is not paid when due;

- 13.1.5. the Owner 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;
- 13.1.6. an application or petition or notice for an administration order in relation to the Owner is presented or given or any meeting of the Owner is convened for the purpose of considering any resolution to present a notice, application or petition for such an order;
- 13.1.7. an order is made for the appointment of an administrator to manage the affairs, business and property of the Owner or documents are filed with a court of competent jurisdiction for the appointment of an administrator or a notice of appointment or a notice of intention of appointment under Schedule B1 of the Insolvency Act 1986 is issued by the Owner or by its directors or by the holder of a qualifying floating charge (as defined in the said Schedule);
- 13.1.8. any steps are taken with a view to proposing (under any enactment or otherwise) any kind of composition, scheme of arrangement, compromise or arrangement involving the Owner and its creditors generally (or any class of them);
- 13.1.9. any administrative or other receiver or any manager of the Owner or any of its property is appointed or the directors of the Owner request any person to appoint such a receiver or manager or circumstances arise which entitle a court of competent jurisdiction or a creditor to appoint a receiver, administrative receiver or manager of the Owner, or any other steps are taken to enforce any Encumbrance over any of the Owner's property or to repossess any goods in the possession of but not absolutely owned by the Owner, 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;
- 13.1.10. a meeting of the Owner is convened for the purpose of considering any resolution for, or to petition for, winding up, or the Owner passes such a resolution, or an order for winding up the Owner is made on the petition of any of its creditors;
- 13.1.11. any steps are taken with a view to the dissolution of the Owner;
- 13.1.12. the Owner 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;

- 13.1.13. 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;
- 13.1.14. the Aircraft becomes a Total Loss;
- 13.1.15. the Aircraft is arrested, detained, seized, 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;
- 13.1.16. 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 Mortgage;
- 13.1.17. there occurs in the opinion of the Mortgagee a material adverse change in the financial condition or control of the Owner;
- 13.1.18. any event occurs which is analogous to those events set out in clauses 13.1.5 to 13.1.11 in any other jurisdiction;
- 13.1.19. 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.

14. ENFORCEMENT OF SECURITY

- 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:
 - 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;
 - 14.1.2. recover and collect all Insurances, and Requisition Compensation;
 - 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 of them 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;

- 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 of it;
- 14.1.5. repair and maintain and keep in repair the Aircraft;
- 14.1.6. insure the Aircraft upon such terms as the Mortgagee may in its absolute discretion determine;
- 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 to it, accounting only for the net proceeds (if any) of such use; and
- 14.1.8. set off any money comprised in the Security Assets against any of the Secured Liabilities.

15. RECEIVER

- 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.
- 15.2 The Receiver may exercise all or any of the rights, powers and discretions of the Mortgagee given to it by this Mortgage.
- 15.3 The 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.
- 15.4 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.
- 15.5 The Mortgagee shall not be responsible for misconduct or negligence on the part of the Receiver.

- 15.6 The 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.

16. APPLICATION OF PROCEEDS

- 16.1 All money received by the Mortgagee or any Receiver in respect of the Security Assets shall be applied 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):

16.1.1. in or towards payment of all costs and expenses whatever incurred or to be incurred by the Mortgagee or the Receiver in connection with such enforcement including (without limitation) all costs of recovery, maintenance, repair, insurance, storage, sale or other dealing;

16.1.2. 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;

16.1.3. 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 payment of money owing, if any, to the Owner or other persons entitled to it.

17. POWER OF ATTORNEY

- 17.1 The Owner irrevocably appoints and constitutes the Mortgagee and any Receiver jointly and severally, with full power to delegate, as its true and lawful attorney (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 money and claims for money due or to become due to endorse any cheque or other instrument or orders in connection with it 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 and the Owner undertakes to ratify all such acts of the Mortgagee and or any Receiver.

18. PROTECTION OF THIRD PARTIES

- 18.1 No purchaser or other person dealing with the Mortgagee or any Receiver 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 created by this

Mortgage 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.

- 18.2 All the protections afforded to purchasers by sections 104 and 107 of the Law of Property Act 1925 and by section 42(3) of the Insolvency Act 1986 shall apply to any such person dealing with the Mortgagee or Receiver.

19. POWERS OF MORTGAGEE

- 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 all or any of its rights, powers and discretions under this Mortgage 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 under this Mortgage 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

- 20.1 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 to this Mortgage in respect of (but not limited to) all actions, claims, demands, proceedings, costs, expenses, fines, penalties, taxes, losses and liabilities whatever 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 whatever 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 whatever for any losses or damage whatever arising in connection with the exercise or purported exercise of any of its rights, powers and discretions in good faith under this Mortgage 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 21 shall exclude the liability of the Mortgagee or any Receiver for fraud.

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

- 22.1 The Owner 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;

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 money, 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 22 'accounts' includes all forms of account, wherever situated, whether current, deposit, loan or of any other nature whatever, 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 whatever (including, without limitation, legal costs, registration fees, 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 whatever under this Mortgage.

- 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 shall bear interest at the rate of 5% per annum above the Finance House Base Rate from the date on which they were incurred by the Mortgagee calculated from day to day.

24. GENERAL

- 24.1 This Mortgage constitutes the entire agreement between the parties in relation to its subject matter and no addition to or variation of it shall have any effect unless in writing and signed by the Mortgagee.
- 24.2 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.
- 24.3 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.
- 24.4 A certificate of the Mortgagee as to the amount at any time due from the Owner under this Mortgage or the amount which, but for any of the obligations of the Owner under this Mortgage being or becoming void, voidable, unenforceable or ineffective at any time would have been due from the Owner under this Mortgage shall, in the absence of manifest error, be conclusive.
- 24.5 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.
- 24.6 The parties to this Mortgage do not intend by this Mortgage to confer any rights whatsoever on any other person. Accordingly, the parties hereby expressly exclude the provisions of the Contracts (Rights of Third Parties) Act 1999 (or any or re-enactment thereof).

25. NOTICES

- 25.1 All notices and other communications under this Mortgage (unless otherwise expressly contemplated in this Mortgage) shall be in writing and either delivered by hand or sent by email, fax or first class post (airmail if overseas) in each case to the address of the intended recipient as follows:

For Owner:

Fly Llanbedr Ltd, 49 Liverpool Road North, Burscough, Ormskirk, L40 0SA

For Mortgagee:

Arkle Finance Limited, Sanders Road, Wellingborough, Northamptonshire,
NN8 4BX

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

- 25.1.1. in the case of delivery by hand, upon delivery or upon refusal on presentation;
- 25.1.2. in the case of email, upon sending provided the correct answerback is received;
- 25.1.3. 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;
- 25.1.4. in the case of post, 24 hours after posting.

26. LAW AND JURISDICTION

- 26.1 This Mortgage 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 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 To the extent that the Owner may be entitled in any jurisdiction to claim for itself or its assets immunity from service of process, jurisdiction, suit, judgment, execution, attachment (whether before judgment, in aid of execution, or otherwise) or legal process in respect of its obligations under this Mortgage, or to the extent that, in any such jurisdiction, such immunity (whether or not claimed) may be attributed to it or its assets, the Owner hereby irrevocably agrees not to claim, and hereby irrevocably waives, such immunity to the fullest extent permitted by the laws of such jurisdiction with the intent, inter alia, that such waiver of immunity shall have irrevocable effect for the purpose of the State Immunity Act 1978 in any proceedings to which such Act is applicable.

This document is delivered and takes effect on the date stated at the beginning of it.

SIGNED

For and on behalf of
FLY LLANBEDR LTD



Print Name

DAVID DUN

Position (1st Director/Co Secretary)

DIRECTOR

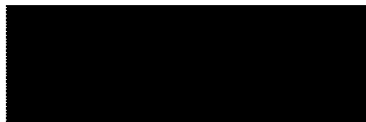
Witness signature

(Needed if only 1 Director or Co. Sec. has signed
solely)

Name & Address

SIGNED

For and on behalf of
FLY LLANBEDR LTD



Print Name

PAUL VERNON

Position (2nd Director/Co Secretary)

DIRECTOR

SIGNED

For and on behalf of
ARKLE FINANCE LIMITED

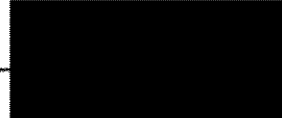


Position (1st Director/Co Secretary)

DIRECTOR

Witness signature

(Needed if only 1 Director or Co. Sec. has signed
solely)



Name & Address

CHRIS WARREN

90 Apple Finance

SIGNED

For and on behalf of
ARKLE FINANCE LIMITED

Print Name

Position (2nd Director/Co Secretary)

Schedule 1
The Aircraft

Mark: G-BRBA

Manufacturer's Serial number: 28-7916109

Manufacturer Name & Model: Piper PA-28-161 Cherokee Warrior II Fixed-Wing
Landplane

Year of Manufacturer: 1979

Schedule 2
Notice of Assignment

We Fly Llanbedr Ltd being the Owner of the Aircraft, serial number 28-7916109 bearing registration mark G-BRBA hereby give notice that by a mortgage dated 06/06/ 2022 and made by us in favour of Arkle Finance Limited there has been assigned by us to the said Arkle Finance Limited as first priority mortgagee and assignee of the said Aircraft 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 on which this notice is endorsed.

Date: 06/06/2022

Signature:



Acknowledgement of Receipt

From: Arkle Finance Ltd

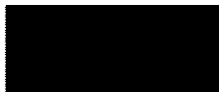
To: Fly Llanbedr Ltd

Dear Sirs

We hereby acknowledge receipt of the above notice dated .

Yours faithfully

Signature:



Schedule 3
Nameplate Description

1. On the airframe

'This aircraft its engines and accessories are owned by Fly Llanbedr Ltd and subject to a mortgage in favour of Arkle Finance Ltd.'

'No person or body is authorised to create or allow to be created any lien on the aircraft its engines or accessories apart from Arkle Finance Ltd.'

2. On the engines

'This engine with accessories is owned by Fly Llanbedr Ltd and subject to a mortgage in favour of Arkle Finance Ltd.'

'No person or body is authorised to create or allow to be created any lien on this engine apart from Arkle Finance Ltd.'

3. On the manuals and technical records

'These manuals and technical records are owned by Fly Llanbedr Ltd and subject to a mortgage in favour of Arkle Finance Ltd.'

'No person or body is authorised to create or allow to be created any lien on these manuals and technical records apart from Arkle Finance Ltd.'