



**Registration of a Charge**

Company Name: **FALCON VC LIMITED**

Company Number: **14572745**



XC0P9A0A

Received for filing in Electronic Format on the: **03/04/2023**

**Details of Charge**

Date of creation: **31/03/2023**

Charge code: **1457 2745 0001**

Persons entitled: **PARAGON BUSINESS FINANCE PLC**

Brief description: **AIRCRAFT MORTGAGE RELATING TO ONE MCDONNELL DOUGLAS  
HELICOPTER 600N MSN RN041 REGISTRATION MARK N641LB**

**Contains fixed charge(s).**

**Contains negative pledge.**

**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: **CIARÁN WATERIDGE**



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

Company number: 14572745

Charge code: 1457 2745 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st March 2023 and created by FALCON VC LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd April 2023 .

Given at Companies House, Cardiff on 5th April 2023

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**



Asset finance

DATED

31st March 2023

(1) RN041 INC., NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY AS OWNER TRUSTEE

(2) FALCON VC LIMITED

- and -

(3) PARAGON BUSINESS FINANCE PLC

**AIRCRAFT MORTGAGE**

relating to

one McDonnell Douglas Helicopter 600N

msn RN041

registration mark N641LB

we certify that this is a true, complete and correct copy of the  
electronically executed instrument



K HALL F.C.Inst.L.Ex

## CONTENTS

1.	DEFINITIONS AND CONSTRUCTION .....	1
2.	MORTGAGE AND ASSIGNMENT .....	6
3.	CONTINUING AND INDEPENDENT SECURITY .....	8
4.	REPRESENTATIONS AND WARRANTIES .....	9
5.	TAXES AND OTHER DEDUCTIONS .....	10
6.	POSSESSING AND SUB-LEASING .....	10
7.	COSTS, CHARGES AND EXPENSES .....	11
8.	UNDERTAKINGS .....	11
9.	DEFAULT AND ENFORCEMENT .....	14
10.	APPOINTMENT AND POWERS OF RECEIVER .....	14
11.	MORTGAGEE'S RIGHTS .....	16
12.	APPLICATION OF PROCEEDS .....	16
13.	LIABILITY OF MORTGAGEE, RECEIVERS AND DELEGATES .....	17
14.	PROTECTION OF THIRD PARTIES .....	17
15.	INDEMNITY .....	18
16.	SUSPENSE ACCOUNT .....	18
17.	SET-OFF .....	19
18.	POWER OF ATTORNEY .....	19
19.	FURTHER ASSURANCES .....	19
20.	MISCELLANEOUS .....	19
21.	NOTICES .....	20
22.	GOVERNING LAW AND JURISDICTION .....	20
23.	OWNER TRUSTEE .....	21
	SCHEDULE 1: AIRCRAFT DESCRIPTION .....	23
	SCHEDULE 2: OPERATIONAL AND MAINTENANCE COVENANTS .....	24
	SCHEDULE 3: INSURANCE COVENANTS .....	27
	SCHEDULE 4: NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT OF INSURANCE .....	30
	SCHEDULE 5: NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT .....	31
	SCHEDULE 6: FACILITY AGREEMENT .....	33
	SCHEDULE 7: IDERA .....	34
	SCHEDULE 8: POWER OF ATTORNEY .....	35
	EXECUTION PAGE .....	38

THIS AIRCRAFT MORTGAGE is made on

31st March 2023

**BETWEEN:**

- (1) **RN041 INC.**, whose registered office is at 7302 Yellowstone Road, Cheyenne, Wyoming, 82009, not in its individual capacity but solely as owner trustee ("**Owner Trustee**") under Trust Agreement dated 6<sup>th</sup> March, 2023 ("**Trust Agreement**"); and
- (2) **FALCON VC LIMITED** (company number 14572745), whose registered office is at 191 Stonhouse Street, London, SW4 6BB ("**Beneficial Owner**") (Owner Trustee and Beneficial Owner shall be referred to herein collectively as the "**Owner**"); and
- (3) **PARAGON BUSINESS FINANCE PLC** (company number 01497411), whose registered office is at 51 Homer Road, Solihull, West Midlands, England, B91 3QJ ("**Mortgagee**").

**BACKGROUND:**

- A By an aircraft loan agreement (comprising of an aircraft loan agreement commercial terms and aircraft loan agreement standard terms and conditions) dated **31st March, 2023** and made between the Beneficial Owner as borrower (as acknowledged and agreed to by the Owner Trustee) and the Mortgagee as lender ("**Facility Agreement**"), a copy of which is attached hereto as Schedule 6 for definitional purposes, the Mortgagee has agreed, upon and subject to the terms of the Facility Agreement, to make available to the Owner a term loan ("**Facility**").
- B It is a condition precedent to the availability of the Facility that the Owner shall have executed and delivered this Deed to the Mortgagee.

**IT IS AGREED:****1. DEFINITIONS AND CONSTRUCTION****1.1 Definitions**

In this Deed the following terms shall have the following meanings:

"**Administrator**" has the meaning as set forth in the Cape Town Convention;

"**Agreed Deductible**" means twenty thousand pounds sterling (£20,000);

"**Agreed Liability Amount**" means five million pounds sterling (£5,000,000);

"**Agreed Value**" means at any time, an amount equal to 110% of the balance of the loan outstanding at such time under the Facility Agreement;

"**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, where the context permits, references to the "**Aircraft**" shall include the Manuals and Technical Records and, unless otherwise provided in this Deed, shall mean the Aircraft as a whole or any part thereof as specified in schedule 1 (*Aircraft Description*);

"**Airframe**" means the airframe specified in schedule 1 (*Aircraft Description*) (excluding the Engines), and all Parts (including the APU) installed on or after the date of this Deed, or which having been removed therefrom are required by the terms of this Deed to remain the property of the Owner subject to this Deed, and all replacements, renewals and additions made to the foregoing in accordance with this Deed (but excluding those Parts temporarily installed);

"**Airworthiness Directive**" means any airworthiness directive issued by the Aviation Authority;

**"Approved Brokers"** means such brokers as may be duly appointed by the Owner with the prior written consent of the Mortgagee;

**"APU"** means the APU (auxiliary power unit) specified in schedule 1 (*Aircraft Description*);

**"Assigned Agreements"** means all agreements (including without limitation the Trust Agreement), policies, terms and conditions entered into by the Owner in connection with the Insurances, the Warranties, the Earnings and the Operator Documents;

**"Associated Rights"** has the meaning as set forth in the Cape Town Convention;

**"Aviation Authority"** means each person who shall from time to time be vested with the control and supervision of, or have jurisdiction over, the registration, airworthiness and operation of aircraft or other matters relating to civil aviation in the State of Registration;

**"Business Day"** means a day other than a Saturday or Sunday when financial institutions in London are generally open for banking business;

**"Cape Town Convention"** means the Convention on International Interests in Mobile Equipment (the **Convention**) and the Protocol on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the **Protocol**), in each case, signed at Cape Town on 16 November 2001;

**"Compulsory Acquisition"** means requisition of title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation or confiscation for any reason of the Aircraft by any government entity or other competent authority, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition of title;

**"Contracting State"** has the meaning as set forth in the Cape Town Convention;

**"Currency"** means Sterling;

**"Delegate"** means any delegate or sub-delegate appointed pursuant to clause 11.3 (*Delegates*);

**"Earnings"** means all amounts whatsoever which may at any time be earned by or become payable to or for the account of the Owner arising out of the ownership, possession, use or operation of the Aircraft by the Owner including but not limited to all freight, hire and all other amounts payable under any charter, contract of hire, pooling agreement, or other contract relating to the Aircraft, all payments for any variation on termination of any such contract and all damages for any breach of any such contract;

**"Engine"** means the engine(s) specified in schedule 1 (*Aircraft Description*) or any other replacement engine substituted, in accordance with the terms of this Deed (other than as a temporary replacement for an engine which had immediately prior to such replacement been an Engine) together with, in each case, all Parts from time to time belonging to, installed in or appurtenant to the relevant engine (and **the Owner and Mortgagee agree that the Engine(s) shall be considered an "aircraft object" under the Cape Town Convention** regardless of whether or not they are installed on the Airframe as of the date of this Aircraft Mortgage and this Aircraft Mortgage creates a present International Interest in and to the Engine(s) from Owner as of the date of this Aircraft Mortgage; solely for purposes of satisfying the Cape Town Convention, if any of the Engine(s) which are installed on the Airframe as of the date of this Aircraft Mortgage, are subsequently removed from said Airframe, this Aircraft Mortgage shall be deemed to also create an International Interest in and to such Engine from Owner under the Cape Town Convention effective as of the date of this Aircraft Mortgage);

**"Eurocontrol"** means the European Organisation for the Safety of Air Navigation;

**"Event of Default"** means any event or circumstance described or defined as an event of default under any agreement (including any Finance Document) between the Owner and the Mortgagee including

each of the events and circumstances set out as such in the Facility Agreement (whether expressly or by reference to another document) and any breach by the Owner of its obligations under this Deed;

**"Finance Documents"** means the Facility Agreement, the Security Documents, this Deed, and any other document designated as such by the Owner and the Mortgagee;

**"Habitual Base"** means Leeds Airport (or such other habitual base for the Aircraft as the Mortgagee may agree in writing);

**"IDERA"** means an Irrevocable De-registration and Export Request Authorisation with respect to the Aircraft;

**"Insurances"** means all policies and contracts of insurance or such other insurance arrangements which are from time to time entered into in respect of the Aircraft pursuant to schedule 3 (*Insurance Covenants*), including all claims under the policies and contracts and return of premiums;

**"Insurers"** means the underwriters, insurance companies, mutual insurance associations or other associations or companies with or by which the Insurances are effected;

**"International Interest"** has the meaning as set forth in the Cape Town Convention;

**"International Registry"** means the international registration facilities established for the purposes of the Cape Town Convention, currently administered by Aviareto Limited of Suite 5, Plaza 255, Blanchardstown Corporate Park 2, Blanchardstown, Dublin 15;

**"Loss"** means any loss, demand, liability, obligation, claim, action, proceeding, penalty, fine, damage, adverse judgement, order or other sanction, fee and out-of-pocket cost and expense (including any fee and out-of-pocket cost and expense of any legal counsel);

**"Maintenance Programme"** means in relation to the Aircraft, the Airframe, any Engine or any Part, the maintenance programme as may be filed with and/or approved by the Aviation Authority from time to time;

**"Major Damage Threshold"** means 1.5% of the market value of the Aircraft on the date of this Deed;

**"Mandatory Service Bulletin"** means any mandatory service bulletin issued by the manufacturer of the Aircraft;

**"Manuals and Technical Records"** means all records, logs, manuals, technical data and other materials and documents (whether kept or to be kept in compliance with any regulation of the Aviation Authority or otherwise and including without limitation any data maintained in a computer or on computer files) relating to the Aircraft;

**"Maximum Charter Period"** means 14 days (including any renewal period thereof);

**"Operator"** means any operator of the Aircraft as may be pre-approved in writing by the Mortgagee from time to time;

**"Operator Documents"** means any operator documents specified as being "Conditions Precedent" in the Facility Agreement, and any other document designated as such by the Owner and the Mortgagee;

**"Part"** means, in relation to the Aircraft, all appliances, parts, accessories, instruments, navigational and communications equipment, furnishings, modules, components and other items of equipment (other than complete Engines or engines);

**"Power of Attorney"** means the form of Irrevocable Power of Attorney in Fact in the form set forth on Schedule 8 (*Power of Attorney*) attached hereto;

**"Professional User"** has the meaning as set forth in the Cape Town Convention;

**"Receiver"** means any receiver, manager or other receiver or similar officer appointed by the Mortgagee in respect of any Secured Property and shall, if allowed by law, include an administrative receiver;

**"Relevant Jurisdiction"** means (a) the jurisdiction of incorporation of the Owner; (b) any jurisdiction where any Secured Property is situated; (c) any jurisdiction where the Owner conducts its business, (d) the State of Registration; and (e) the jurisdiction whose laws govern the perfection of this Deed;

**"Requisition Compensation"** means all moneys or other compensation from time to time payable in respect of the Compulsory Acquisition of the Aircraft;

**"Right to Discharge"** has the meaning as set forth in the Cape Town Convention;

**"Sale"** has the meaning as set forth in the Cape Town Convention;

**"Secured Obligations"** means all present and future monies, obligations and liabilities (and whether on or at any time after demand) which may be or become due, owing or incurred in whatsoever manner to the Mortgagee by the Owner (including, without limitation, under the Finance Documents) from time to time, whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor or cautioner), including any money, obligations and liabilities of the Owner to a third party which have been assigned or novated to or otherwise vested in the Mortgagee, and including interest, discount, commission and other lawful charges or expenses which the Mortgagee may in the course of its business charge or incur in respect of any of those matters or for keeping the Owner's account, and so that interest shall be computed and compounded according to the usual rates and practice of the Mortgagee as well after as before any demand made or judgment or decree obtained under or in relation to this Deed (or otherwise agreed in writing);

**"Secured Property"** means:

- (a) the Aircraft (including the Manuals and Technical Records); and
- (b) all of the Owner's right, title interest and benefit in and to:
  - (i) the Insurances;
  - (ii) the Warranties;
  - (iii) the Requisition Compensation;
  - (iv) the Earnings; and
  - (v) the Assigned Agreements;
- (c) all assets, whether, now owned or hereafter acquired, of Owner including, without limitation, any and all Equipment, Inventory, Accounts, Chattel Paper, General Intangibles, Goods, Documents, Fixtures, Deposit Accounts, Instruments, Investment Property, Letter-of-Credit Rights, Software, and Commercial Tort Claims as each term is defined in the Uniform Commercial Code (and Owner hereby authorizes the filing of a UCC-1 Financing Statement covering **"All assets" of Owner**); and
- (d) all proceeds, and any and all rights and interests under any of the foregoing (including, but not limited to, any Associated Rights and Right to Discharge);

**"Security Documents"** has the meaning given to such term in the Facility Agreement;



**"Security Interest"** means any mortgage, charge, pledge, lien, hypothecation, International Interest, defect or cloud on title, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

**"Security Period"** means the period beginning on the date of this Deed and ending on the date on which:

- (a) all of the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) the Owner has no further commitment, obligation or liability whatsoever to the Mortgagee (including under the Finance Documents);

**"State of Registration"** means the United States Federal Aviation Administration, or any successor or replacement administration in relation to the Aircraft, or any other state or territory on whose national aircraft register the Aircraft is registered from time to time;

**"sterling"** and **"£"** means the lawful currency of the United Kingdom from time to time;

**"Taxes"** includes all present and future taxes, levies, imposts, duties, fees or charges of whatever nature, including, without limitation, any value added, goods and services or similar tax, together with interest thereon and penalties in respect thereof and **"Taxation"** shall be construed accordingly;

**"Total Loss"** means any of the following events:

- (a) the actual or constructive total loss of the Aircraft (including any damage to the Aircraft which results in an insurance settlement on the basis of a total loss, or requisition for use or hire of the Aircraft which results in an insurance settlement on the basis of a total loss);
- (b) the Aircraft being destroyed, damaged beyond repair, or otherwise ceasing to be usable by an airline in the normal course of its business for a period exceeding sixty (60) days;
- (c) the Compulsory Acquisition of the Aircraft; or
- (d) the hijacking, theft, confiscation, capture, detention, seizure or requisition for use or hire of the Aircraft, other than where the same amounts to Compulsory Acquisition of the Aircraft for more than thirty (30) days, excluding requisition for use or hire by any government entity of the State of Registration;

**"Transacting User Entity"** has the meaning as set forth in the Cape Town Convention;

**"US Dollars"** and **"\$"** means the lawful currency of the United States of America from time to time; and

**"Warranties"** means:

- (a) all warranties in respect of the Airframe, any Engine or Part by any manufacturer or supplier, including all post-delivery rights relating to such warranties; and
- (b) the benefit of any agreement for the repair, overhaul, testing or servicing of the Aircraft, the Airframe or any Engine including the benefit of all warranties and indemnities relating thereto.

## 1.2 Construction

In this Deed:

- (a) any reference to:
  - (i) **"assets"** includes present and future properties, revenues and rights of every description;
  - (ii) a Finance Document or any other agreement or instrument is a reference to that Finance Document or that other agreement or instrument as may be from time to time amended or novated, supplemented, extended or restated;
  - (iii) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
  - (iv) **"including"** or **"includes"** means including or includes without limitation;
  - (v) the **"Owner"** or the **"Mortgagee"** shall, where the context permits, include such person's successors and permitted assigns and any persons deriving title under such person;
  - (vi) a **"person"** includes any individual, member, person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
  - (vii) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (viii) the **"Secured Property"** shall mean all or any part of the Secured Property as the context may permit;
  - (ix) a provision of law is a reference to that provision as amended or re-enacted;
  - (x) a clause or schedule is a reference to a clause of or schedule to this Deed; and
  - (xi) a time of day is a reference to London time;
- (b) words importing the plural include the singular (and vice versa); and
- (c) section, clause and schedule headings are for ease of reference only.

The parties hereto intend that this document shall take effect as a deed notwithstanding that one party may only execute this document under hand.

## 2. MORTGAGE AND ASSIGNMENT

### 2.1 Covenant to Pay

The Owner shall discharge the Secured Obligations when due in accordance with its terms or, if they do not specify a time for payment, immediately on demand by the Mortgagee.

## 2.2 Mortgage of Aircraft

In consideration of the Mortgagee agreeing to make the Facility available to the Owner upon the terms and conditions of the Facility Agreement and as a continuing security for the due and punctual performance and discharge of the Secured Obligations, the Owner, with full title guarantee, hereby mortgages by way of first priority mortgage and charges by way of first fixed charge all of its right (including any and all Associated Rights and Right to Discharge), title, interest and benefit and creates an International Interest in and to the Aircraft (for the avoidance of doubt, legal title to the Aircraft is held by Owner Trustee) and accordingly:

- (a) all engines and Parts from time to time installed on the Airframe or any Engine shall be subject to this Deed;
- (b) any Engine or Part at any time removed from the Airframe or any Engine shall remain subject to this Deed until such time as a replacement or substitute shall have been installed on the Airframe or the relevant Engine, and shall have become subject to this Deed; and
- (c) upon installation any replacement or substitute engine or Part shall thereupon without further act become subject to this Deed for all purposes as though it had been originally installed in or attached to the Airframe or any Engine, and subject thereto, the Engine or Part replaced or substituted shall be released from the mortgage and charge created by this Deed.

## 2.3 Assignment

In consideration of the Mortgagee agreeing to make the Facility available to the Owner upon the terms and conditions of the Facility Agreement and as a continuing security for the due and punctual payment, repayment, satisfaction, performance and discharge of the Secured Obligations, the Owner, with full title guarantee, hereby assigns and agrees to assign absolutely to the Mortgagee all of its right, title, interest and benefit in and to the Secured Property including:

- (a) the Insurances;
- (b) the Warranties;
- (c) the Requisition Compensation;
- (d) the Earnings; and
- (e) the Assigned Agreements.

## 2.4 Notice of Assignment

The Owner shall:

- (a) if required by the Mortgagee, upon execution of this Deed give notice to each other party to the Assigned Agreements in the form set out in schedules 4 (*Notice and Acknowledgement of Assignment of Insurances*) and 5 (*Notice and Acknowledgement of Assignment*) (as applicable) and shall, as soon as possible, procure that such notice is duly acknowledged by each other party to the relevant Assigned Agreement and further procure that such acknowledgement is received by the Mortgagee;
- (b) forthwith on any Compulsory Acquisition, notify the relevant authority in writing of the assignment to the Mortgagee of the Owner's right, title, interest and benefit in and to the Requisition Compensation; and
- (c) if required by the Mortgagee, deliver a notice of assignment in a form acceptable to the Mortgagee to any other party to any of the Assigned Agreements and procure that such notice

is duly acknowledged by each other party to the relevant Assigned Agreement and further procure that such acknowledgement is received by the Mortgagee.

## **2.5 Performance and Indemnity**

Notwithstanding the foregoing, the Owner shall remain liable to perform all the obligations to be performed by it in respect of the Secured Property (including, under the Assigned Agreements) and shall discharge fully its obligations thereunder as they become due and the Mortgagee shall not have any obligation of any kind whatsoever thereunder or be under any liability whatsoever in the event of any failure by the Owner to perform its obligations thereunder and the Owner hereby indemnifies and agrees to keep indemnified the Mortgagee from and against any such liability.

## **2.6 Release and Transfer**

- (a) At the expiry of the Security Period, the Mortgagee shall, at the cost of the Owner, release and transfer to the Owner, the Secured Property.
- (b) Notwithstanding any discharge, release or settlement from time to time between the Mortgagee and the Owner, if any security, disposition or payment granted or made to the Mortgagee in respect of the Secured Obligations by the Owner or any other person is avoided or set aside or ordered to be surrendered, paid away, refunded or reduced by virtue of any law or regulation relating to administration, bankruptcy, insolvency, liquidation, winding-up, composition or arrangement or for any other reason, the Mortgagee shall be entitled thereafter to enforce this Deed as if no such discharge, release or settlement had occurred.

## **3. CONTINUING AND INDEPENDENT SECURITY**

### **3.1 Continuing Security**

This Deed and the security hereby created shall remain in full force and effect by way of continuing security and in particular shall not be, nor be considered as, satisfied by any intermediate discharge or payment on account of any liabilities or any settlement of accounts between the Owner and the Mortgagee.

### **3.2 Independent Security**

This Deed and the security hereby created shall be in addition to and not in substitution for or derogation of any other security (whether given by the Owner or otherwise) now or from time to time held by the Mortgagee in respect of or in connection with the Secured Obligations. The Mortgagee shall be under no duty to enforce any other Security Interest or Finance Document before enforcing the security created by this Deed.

### **3.3 Unrestricted Enforcement**

The Mortgagee need not before exercising any of the rights, powers or remedies conferred upon it by this Deed or by law:

- (a) take action or obtain judgment against the Owner, or any other person in any court;
- (b) make or file any claim or prove in a bankruptcy, winding-up, administration or liquidation of the Owner or of any other person; or
- (c) enforce or seek to enforce the recovery of the moneys and liabilities hereby secured by any other security.

#### 4. REPRESENTATIONS AND WARRANTIES

##### 4.1 Representations and Warranties

The Owner represents and warrants to the Mortgagee that:

- (a) **Status:** (save where the Owner is an individual), the Owner is a company or limited liability partnership duly incorporated and validly existing and has full power, authority and legal right to own its property and assets and to carry on its business as such business is now being conducted;
- (b) **Power and Authority:** the Owner has all legal power and authority to enter into this Deed and perform its obligations under this Deed and all action (including any corporate and regulatory action) required to authorise the execution and delivery of this Deed and the performance of its obligations under this Deed has been duly taken;
- (c) **Legal Validity:** this Deed constitutes the legal, valid and binding obligations of the Owner enforceable in accordance with its terms;
- (d) **Non-conflict with laws:** the entry into and performance of this Deed and the transactions contemplated by this Deed do not and will not conflict with or result in a breach of:
  - (i) any law, judgment or regulation or any official or judicial order;
  - (ii) the constitutional documents of the Owner; or
  - (iii) any agreement or document to which the Owner is a party or which is binding upon it or any of its assets or revenues, nor cause any limitation placed on it or the powers of its directors to be exceeded or result in the creation or imposition of any Security Interest on any part of the Secured Property pursuant to the provisions of any such agreement or document;
- (e) **No consents:** no consent of, giving of notice to, or registration with, or taking of any other action in respect of, any governmental authority or agency in any relevant jurisdiction or any shareholders or creditors of the Owner is required for or in connection with the execution, validity, delivery and admissibility in evidence in any proceedings of this Deed, or the carrying out by the Owner of any of the transactions contemplated hereby;
- (f) **Litigation:** no litigation, arbitration or administrative proceeding is currently taking place or pending or, to the knowledge of the Owner, threatened against the Owner or its assets which would adversely affect its ability to perform its obligations under this Deed and the Finance Documents;
- (g) **Winding Up:** (save where the Owner is an individual), no corporate action, legal proceeding or other procedure or step has been or is about to be taken in relation to:
  - (i) a suspension of payments, moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Owner;
  - (ii) a composition, compromise, assignment or arrangement with any creditor or any member of the Owner;
  - (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Owner or any of its assets; or
  - (iv) the enforcement of any Security Interest over any assets of the Owner;

- (h) **Bankruptcy Event:** (where the Owner is an individual, no Bankruptcy Event (as defined in the Facility Agreement) has occurred;
- (i) **Pari Passu Ranking:** the obligations of the Owner under this Deed rank at least pari passu with all its other present and future unsecured obligations save for any obligations mandatorily preferred by law and not by contract;
- (j) **No Default:** no Event of Default has occurred and is continuing;
- (k) **Sole and beneficial owner:** the Owner is and (subject to this Deed) will remain the sole and absolute, legal and beneficial owner of the Secured Property;
- (l) **Security Interest:** no Security Interest exists with respect to any of the right, title, interest or benefit of the Owner in or to the Aircraft or any other Secured Property (other than as created by this Deed);
- (m) **Third party right:** it has not granted in favour of any other person any interest in or any option or other rights with respect to any of the Secured Property; and
- (n) **No Immunity:** the Owner will not be entitled to claim for itself or any of its assets (including the Aircraft) immunity from suit, execution, attachment or other legal process in any Relevant Jurisdiction.

#### 4.2 Continuing Representation and Warranty

The Owner also represents and warrants to and undertakes with the Mortgagee that the representations and warranties in clause 4.1 (*Representations and Warranties*) will be true and accurate throughout the Security Period with reference to the facts and circumstances from time to time then existing.

### 5. TAXES AND OTHER DEDUCTIONS

#### 5.1 No Withholding

All payments to be made by the Owner or any other person under this Deed shall be made in full in immediately available funds in the Currency without any set-off or counterclaim whatsoever, free and clear of any Taxes, deductions or withholdings save as required by law.

#### 5.2 Gross-up

If at any time the Owner or any other person is required to make any deduction or withholding in respect of Taxes or otherwise from any payment due under this Deed for the account of the Mortgagee, the sum due from the Owner in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Mortgagee receives on the due date for such payment (and retains, free from and clear of any Taxes or otherwise) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and the Owner shall indemnify the Mortgagee against any Loss suffered, incurred or paid by it by reason of any failure of the Owner to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment.

### 6. POSSESSING AND SUB-LEASING

#### 6.1 Restrictions

The Owner shall not lease or otherwise part with possession of the Aircraft without the prior written consent of the Mortgagee, which consent the Mortgagee may grant or withhold in its absolute discretion except that the Owner may:

- (a) make available the Aircraft to the Operator pursuant to the Operator Documents (if applicable);
- (b) permit the Operator to wet lease or charter the Aircraft for a period not more than the Maximum Charter Period on terms under which possession and operational control of the Aircraft will remain with the Operator, ensuring that the requirements of the Aircraft Mortgage are fully complied with at all times; and
- (c) 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 Mortgagee for the purpose of performing maintenance or other work required or permitted by this Deed.

## 6.2 Operator

Where an Operator is appointed, the Owner shall not agree to any amendment to the Operator Documents without the prior written consent of the Mortgagee and shall notify the Mortgagee of any material breach by any party to the Operator Documents and/or any termination of the Operator Documents. The Owner agrees that the appointment of the Operator and the entry into the Operator Documents shall not in any way reduce, diminish or vary any of the Owner's duties, obligations or liabilities under this Deed, the Facility Agreement or any other Finance Document.

## 7. COSTS, CHARGES AND EXPENSES

The Owner shall from time to time on demand pay to or reimburse the Mortgagee for any Loss suffered or incurred by the Mortgagee in connection with:

- (a) the preparation, execution and registration of this Deed and any other documents required in connection herewith;
- (b) the exercise of any of its powers under this Deed, in suing for or seeking to recover any sums due under this Deed or otherwise preserving or enforcing its rights under this Deed;
- (c) the preservation or attempted preservation of the Secured Property;
- (d) the defence of any claim brought against the Mortgagee in respect of this Deed; or
- (e) releasing or re-assigning this Deed upon the expiry of the Security Period,

and, until payment of the same in full, any such Loss shall be secured by this Deed.

## 8. UNDERTAKINGS

The Owner hereby undertakes and agrees with the Mortgagee throughout the Security Period that it will:

- (a) **No Security Interest:** not create or attempt or agree to create or permit or suffer to exist any Security Interest over all or any part of the Secured Property (save for any Security Interest created pursuant to this Deed) and to the extent that any Security Interest is created or exists (notwithstanding the foregoing prohibition), promptly procure that any such Security Interest is discharged from such Secured Property;
- (b) **Third party right:** not grant in favour of any other person any interest in or any option or other right in respect of the Secured Property;
- (c) **Ownership of Secured Property:** at all times remain the sole and absolute, legal and beneficial owner of the Aircraft and each of the other Secured Property;

- (d) **No Disposal:** not (without the prior written consent of the Mortgagee) sell or agree to sell, transfer or assign, any part of the Secured Property or deal with or otherwise dispose of the Aircraft (or any interest therein);
- (e) **Copies of Notices:** give to the Mortgagee upon receipt copies of all notices, requests and other documents sent or received with respect to the Secured Property or in connection with any notice affecting the Aircraft;
- (f) **Information:** give to the Mortgagee such information regarding the Secured Property as the Mortgagee may require;
- (g) **Enforcement:** do or permit to be done every act or thing which the Mortgagee may from time to time require for the purpose of enforcing the rights of the Mortgagee under this Deed and will allow its name to be used as and when required for that purpose;
- (h) **No Depreciation to Security:** not do or cause, permit or suffer to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value of the Mortgagee's security under this Deed including ensuring that the Aircraft is not seized by way of distress or taken under execution and shall promptly provide to the Mortgagee the original of any order, notice or other matter served upon the Owner by any third party which may adversely affect the Secured Property and shall promptly comply with, object to or make representations in respect of any such order, notice or other matter as the Mortgagee may require;
- (i) **Outgoings:** pay all rent, charges, Taxes, fees, duties and outgoings of whatsoever nature in respect of the Secured Property and in default thereof the Mortgagee may pay or discharge (without obligation) any such sums which may become due or payable in respect of the Secured Property and the Owner shall promptly indemnify the Mortgagee in relation thereto;
- (j) **Compliance with law:** not permit the Secured Property to be used in contravention of any applicable law and shall comply with the requirements of any applicable law relating to or affecting the Secured Property or the user or owner thereof;
- (k) **Registration:** procure that:
  - (i) the Aircraft is registered with the Aviation Authority in the Owner Trustee's name as owner and/or the name of the Operator as charterer by demise in accordance with all applicable laws and regulations and remain registered with the Aviation Authority and comply with the re- registration and renewal requirements of 14 CFR §47 (as amended by the Final Rule, Re-Registration and Renewal of Aircraft Registration, Federal Register / Vol. 75, No. 138 / Tuesday, July 20, 2010) by renewing the registration of the Aircraft at least 3 months prior to the expiration and provide Mortgagee evidence of same; and
  - (ii) the mortgage created by this Deed is registered on the appropriate register for aircraft mortgages maintained by the Aviation Authority and on the International Registry and the Owner shall not take or permit any action which could prejudice any such registration;
- (l) **Airworthiness:** procure that the Aircraft:
  - (i) possesses a valid certificate of airworthiness issued by the Aviation Authority;
  - (ii) possesses a valid airworthiness review certificate;
  - (iii) possesses a valid annual release to service; and



- (iv) is operated in accordance with all applicable laws and in a manner which does not invalidate the Insurances or prejudice the rights of the Mortgagee with respect to the Secured Property or the Finance Documents;
- (m) **Certificates:** deliver a copy of each renewed or reissued certificate of airworthiness, or airworthiness review certificate, and a valid annual release to service to the Mortgagee promptly upon such renewal or reissue (and in any event within 14 days of such renewal or reissue);
- (n) **Deregistration:** not, and shall not attempt or join in any steps to, deregister the Aircraft from the register of aircraft maintained by the Aviation Authority without the prior written consent of the Mortgagee and on demand by the Mortgagee shall execute and deliver to the Mortgagee a deregistration power of attorney in relation to Aircraft (in form and substance acceptable to the Mortgagee);
- (o) **Notice of Event of Default or Total Loss:** promptly give written notice to the Mortgagee of the occurrence of any Event of Default or any Total Loss;
- (p) **Operation and Maintenance:** comply with each of the operational and maintenance covenants set out in schedule 2 (*Operational and Maintenance Covenants*);
- (q) **Insurances:** ensure that the Aircraft is insured in accordance with the requirements of schedule 3 (*Insurance Covenants*); and
- (r) **Assigned Agreements:** with respect to Assigned Agreements:
  - (i) **No Amendment:** following the occurrence of an Event of Default, not amend or vary or agree to amend or vary any Assigned Agreement, waive any of its rights under any Assigned Agreement, release any party from any of its obligations under any Assigned Agreement or consent to any act or omission which would otherwise constitute a breach of any Assigned Agreement;
  - (ii) **Performance:** punctually pay and perform all of its duties, obligations and liabilities under the Assigned Agreements and shall not transfer any of its duties, obligations or liabilities thereunder;
  - (iii) **Assigned Payments:** following the occurrence of an Event of Default, direct any debtor in respect of any Assigned Agreement to pay all monies arising from or in connection with such Assigned Agreement to such account or accounts as the Mortgagee may from time to time direct, subject to any instructions or agreement to the contrary in any of the notices and acknowledgements to be issued pursuant to this Deed;
  - (iv) **Assigned Rights:** following the occurrence of an Event of Default, will not exercise any right, discretion or power conferred on it by the Assigned Agreement unless and until requested in writing to do so by the Mortgagee whereupon the Owner agrees that it will do so;
  - (v) **Notification of Breach:** notify the Mortgagee of any breach by it or any other party to any Assigned Agreement; and
- (s) **Cape Town Convention:** Owner and Mortgagee agree that this Aircraft Mortgage is a "security agreement" under the Cape Town Convention, Owner has the "power to dispose" of the Aircraft, as contemplated under the Cape Town Convention, and each of Owner Trustee and Beneficial Owner is "situated in a contracting state" as contemplated under the Cape Town Convention. Further, (i) Owner shall establish a valid and existing account with the International Registry as a Transacting User Entity, appoint an Administrator and/or a Professional User acceptable to Mortgagee to make registration in regard to the Secured

Property; (ii) Mortgagee and Owner shall register and hereby consent to registration of a first priority prospective International Interest or International Interest in connection with the Secured Property which shall be searchable on the International Registry to the satisfaction of Mortgagee; (iii) Owner shall execute and Mortgagee shall have received a fully completed and originally executed IDERA, which shall be filed with the Aviation Authority. Owner shall not register any prospective or current International Interest or Sale (or any amendment, modification, supplement, subordination or subrogation thereof) with the International Registry without the prior written consent of Mortgagee which may be withheld in its sole discretion. Owner shall not execute or deliver any IDERA to any party other than Mortgagee unless Mortgagee agrees in writing. Any agreement between Owner and a third party regarding the Secured Party shall contain similar restrictions on said third party, as well as an agreement by said third party to include said restrictions in agreements with other parties.

## **9. DEFAULT AND ENFORCEMENT**

### **9.1 Events of Default**

The security created by this Deed shall become enforceable, and the powers conferred by section 101 of the Law of Property Act 1925 as varied and extended by this Deed shall be exercisable, immediately upon the occurrence of an Event of Default and, at any time thereafter, the Mortgagee or its nominee shall be entitled, without prior notice and whether or not it shall have appointed a Receiver, to exercise the power to sell or otherwise dispose of the whole or any part of the Secured Property. An Event of Default hereunder constitutes a default as contemplated under the Cape Town Convention.

### **9.2 Power of Sale**

The statutory power of sale, of appointing a Receiver and the other statutory powers conferred on mortgagees by section 101 of the Law of Property Act 1925 as varied and extended by this Deed shall arise on the date of this Deed.

## **10. APPOINTMENT AND POWERS OF RECEIVER**

### **10.1 Appointment of Receiver**

At any time after the security created by this Deed has become enforceable, or if requested by the Owner, without any notice or further notice, the Mortgagee may at any time, by deed, or otherwise in writing signed by any officer or manager of the Mortgagee or any person authorised for this purpose by the Mortgagee, appoint one or more persons to be a Receiver. The Mortgagee may similarly remove any Receiver and appoint any person instead of any Receiver. If the Mortgagee appoints more than one person as Receiver, the Mortgagee may give those persons power to act either jointly or severally.

### **10.2 Scope of Appointment**

Any Receiver may be appointed Receiver of all of the Secured Property or Receiver of a part of the Secured Property specified in the appointment. In the latter case, the rights conferred on a Receiver as set out in clause 10.3 (*Rights of Receivers*) shall have effect as though every reference in clause 10.3 (*Rights of Receivers*) to the Secured Property was a reference to the part of the Secured Property so specified or any part of the Secured Property.

### **10.3 Rights of Receivers**

Any Receiver appointed pursuant to this Deed shall have the rights, powers, privileges and immunities conferred by the Insolvency Act 1986 on administrative or other receivers duly appointed under the Insolvency Act 1986, and shall also have the right, either in his own name or in the name of the Owner or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

- (a) **Enter into Possession:** to take possession of the Aircraft, and for this purpose to enter upon any premises where the Aircraft or any part thereof may be located;
- (b) **Insurance:** to require that all policies, contracts and other records relating to the Insurances (including details of, and correspondence concerning, outstanding claims) be delivered forthwith to such brokers as the Mortgagee may nominate and to insure the Aircraft against loss and damage and in respect of third party passenger and property damage liability on such terms and with such persons as it thinks fit;
- (c) **Insurance Claims:** to collect, recover, compromise and give a good discharge for all claims then outstanding or thereafter arising under the Insurances or any of them and to take over or institute (if necessary using the name of the Owner) all such proceedings in connection therewith and to permit the brokers through whom collection or recovery is effected to charge the usual brokerage therefor;
- (d) **Claims:** to settle, defend, discharge, compound, release, adjust, refer to arbitration, compromise and arrange any claims whatsoever in connection with the Aircraft or any other Secured Property including all claims against the Owner in respect of the Secured Property including those which have given or may give rise to any charge or Security Interest on the Aircraft or which are or may be enforceable by proceedings against the Aircraft;
- (e) **Legal Actions:** to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the Aircraft or any other Secured Property including all claims against the Owner in respect of the Secured Property including those which have been given or may give rise to any charge or Security Interest on the Aircraft or which are or may be enforceable by proceedings against the Aircraft;
- (f) **Repairs and Maintenance:** to repair and keep in repair the Aircraft, to carry out such maintenance work and modifications required so that the Aircraft complies with the provisions of the Finance Documents, and generally maintain, preserve and protect the Aircraft and keep the same free from any Security Interest;
- (g) **Deal with Secured Property:** to sell, transfer, assign, exchange, hire out, lease, charter, lend, place in safekeeping or otherwise dispose of or realise the Secured Property to any person (including any person connected with the Owner or the Mortgagee) either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments spread over a period or deferred);
- (h) **Rights of Ownership:** to manage and use the Secured Property and to exercise and do (or permit the Owner or any nominee of it to exercise and do) all such rights and things as the Receiver would be capable of exercising or doing if he were the sole absolute, legal and beneficial owner of the Secured Property;
- (i) **Borrow Money:** to borrow or raise money on the security of the Secured Property (either in priority to the security created by this Deed or otherwise) and on such terms and conditions and for such purpose as he may think fit;
- (j) **Redemption of Security:** to redeem any Security Interest (whether or not having priority to the security created by this Deed) over the Secured Property and to settle the accounts of any person with an interest in the Secured Property;
- (k) **Insolvency Act:** to exercise all powers set out in Schedule 1 or Schedule B1 to the Insolvency Act 1986 as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule B1 of the Insolvency Act 1986 after the date of this Deed; and
- (l) **Other Powers:** to exercise all the rights and powers of a mortgagee in law, equity or otherwise and to do anything else he may think fit for the realisation of the Secured Property or incidental

to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document, the Law of Property Act 1925 or the Insolvency Act 1986.

#### 10.4 Agent of Owner

Any Receiver shall be the agent of the Owner for all purposes. The Owner alone shall be responsible for **the Receiver's contracts, engagements, acts, omissions, defaults and Losses suffered, incurred or paid** by the Receiver.

#### 10.5 Remuneration of Receiver

The Mortgagee may determine the remuneration of any Receiver at a rate fixed by agreement between the Receiver and the Mortgagee (or failing such agreement, to be fixed by the Mortgagee). The Mortgagee may direct payment of that remuneration out of monies the Receiver receives in his capacity as Receiver. The Owner alone shall be liable for the remuneration and all other costs, charges and expenses of the Receiver.

### 11. MORTGAGEE'S RIGHTS

#### 11.1 Same Rights as Receiver

Any rights conferred by any Finance Document upon a Receiver may be exercised by the Mortgagee after the security constituted by this Deed becomes enforceable, whether or not the Mortgagee shall have taken possession or appointed a Receiver of the Secured Property.

#### 11.2 Additional Remedies

In addition to any rights and remedies of Mortgagee set forth herein or under any Finance Document, Mortgagee may employ all remedies available to a secured creditor under the United States Uniform Commercial Code and those rights and remedies available to a creditor under the Cape Town Convention (and Owner affirmatively agrees Mortgagee has all the rights and remedies granted a creditor under the Cape Town Convention, including but not limited to (a) if Owner is in possession, **custody or control of the Secured Property, to enter Owner's or any other person's premises and take possession of such Secured Property;** (b) to require Owner to assemble and make available such Secured Property at a location selected by Mortgagee; (c) to sell, lease or otherwise dispose or cause the Owner to sell, lease or otherwise dispose of the Secured Property; (d) to collect or receive any income, rents or profits arising from the management or use of the Secured Party; (e) procure the deregistration of the registration of the Aircraft and export of the Aircraft to a jurisdiction of **Mortgagee's choice pursuant to the IDERA and as authorized by the Cape Town Convention;** and (f) apply for a court order authorizing these remedies. Upon default, Mortgagee may also, pending final determination of its claim in any court proceeding, obtain speedy relief in the form of an order providing for (a) preservation of the object and its value; (b) possession, control or custody of the object; (c) immobilization of the object; (d) lease or, except where covered by sub-paragraphs (a) to (c), management of the object and the income therefrom; and (e) sale and application of proceeds therefrom.

#### 11.3 Delegates

The Mortgagee may delegate in any manner to any person any rights exercisable by the Mortgagee under any Finance Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Mortgagee thinks fit.

### 12. APPLICATION OF PROCEEDS

All monies received by the Mortgagee or any Receiver or Delegate under this Deed shall be applied in or towards satisfaction of the Secured Obligations in such order of priority as the Mortgagee in its absolute discretion may determine (subject to the prior discharge of all liabilities having priority thereto by law) and, subject to any such determination, in the following order of priority:

- (a) in payment of any Loss suffered, incurred or paid by the Mortgagee or any Receiver or Delegate in connection with the exercise of any power under this Deed, the preserving or attempting to preserve the security created hereby or the Secured Property and of all outgoings paid by the Mortgagee;
- (b) in payment to any Receiver of all remuneration as may be agreed between such Receiver and the Mortgagee should be paid to such Receiver in connection with its appointment as such; and
- (c) in or towards reduction of the remaining Secured Obligations in such manner as the Mortgagee shall determine.

### **13. LIABILITY OF MORTGAGEE, RECEIVERS AND DELEGATES**

#### **13.1 Possession**

If the Mortgagee or any Receiver or Delegate takes possession of the Secured Property, it or he may at any time relinquish possession. Without prejudice to clause 13.2 (*Mortgagee's Liability*), the Mortgagee shall not be liable as a mortgagee in possession by reason of dealing with or repairing any of the Secured Property.

#### **13.2 Mortgagee's Liability**

Neither the Mortgagee nor any Receiver or Delegate shall (either by reason of taking possession of the Secured Property or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Owner or any other person for any Losses relating to the realisation of any of the Secured Property or from any act, default, omission, or misconduct of the Mortgagee, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Secured Property or in connection with the Finance Documents and any action or transaction taken by any Receiver, Delegate or the Mortgagee pursuant to this Deed shall not be affected by the remedying of any Event of Default. If the Mortgagee takes possession of the Aircraft, the Mortgagee shall not be liable for any default or omission for which a mortgagee in possession would be liable.

### **14. PROTECTION OF THIRD PARTIES**

#### **14.1 No Duty to Enquire**

No person dealing with the Mortgagee or any Receiver or Delegate shall be concerned to enquire:

- (a) whether the rights conferred by this Deed or any of the other Finance Documents are exercisable;
- (b) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (c) otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such rights; or
- (d) as to the application of any money borrowed or raised.

#### **14.2 Protection to Purchasers**

All the protection to purchasers contained in sections 104 and 107 of the Law of Property Act 1925, section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Mortgagee, any Receiver or any Delegate.

## 15. INDEMNITY

### 15.1 General Indemnity

The Owner shall indemnify and keep indemnified the Mortgagee, every Receiver and every Delegate from and against all Losses which the Mortgagee may suffer or incur in connection with:

- (a) the preparation, execution and registration of this Deed and any other documents required in connection with this Deed;
- (b) the exercise of any powers conferred by this Deed in suing for or seeking to recover any sums due under this Deed or otherwise preserving or enforcing its rights under this Deed;
- (c) the perfection, preservation or enforcement of the security created by this Deed;
- (d) the non-performance or non-observance of any of the covenants, undertakings and agreements on the part of the Owner under any Finance Document;
- (e) the manufacture, description, fitness for purpose, merchantability suitability, quality, state, appearance, safety, durability, value, design, testing, delivery, import, export, registration, ownership, possession, control, use, operation, leasing, sub-leasing, insurance, maintenance, repair, refurbishment, service, overhaul, modification, change, alteration, loss, damage, storage, removal, re-delivery or otherwise of the Aircraft;
- (f) the defence of any claim brought against the Mortgagee in respect of the Aircraft;
- (g) the payment of any stamp duty or similar tax or duty in connection with the Aircraft or this Deed;
- (h) releasing or re-assigning this Deed upon the expiry of the Security Period; and
- (i) of any matter or thing done or omitted to be done relating in any way whatsoever to the Secured Property,

and, until payment of the same in full, any such Loss shall be secured by this Deed.

### 15.2 Currency Indemnity

If an amount due to the Mortgagee from the Owner in one currency (the "**first currency**") is received by the Mortgagee in another currency (the "**second currency**"), the Owner's obligations to the Mortgagee in respect of such amount shall only be discharged to the extent that the Mortgagee may purchase the first currency with the second currency in accordance with its normal banking practice. If the amount of the first currency which may be so purchased (after deducting any costs of exchange and any other related costs) is less than the amount so due, the Owner shall indemnify the Mortgagee against the shortfall.

### 15.3 Payment and Security

The Mortgagee may retain and pay out of any money in the hands of the Mortgagee all sums necessary to effect the indemnities contained in this clause 15 and all sums payable by the Owner under this clause 15 shall form part of the monies hereby secured.

## 16. SUSPENSE ACCOUNT

The Mortgagee may place and keep any monies received under this Deed, before or after the insolvency of the Owner to the credit of a suspense account in order to preserve the rights of the Mortgagee to sue or prove for the whole amount in respect of claims against the Owner or any other person.

**17. SET-OFF**

The Mortgagee may at any time without notice, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any obligation it owes to the Owner in whatever currency and set-off any sum in respect of such obligation in or towards satisfaction of the Secured Obligations.

**18. POWER OF ATTORNEY**

The Owner, by way of security, irrevocably appoints the Mortgagee, every Receiver and every Delegate and any persons deriving title under it jointly and severally to be its attorney (with full power of substitution) and in its name or otherwise on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required or which such attorney or the Mortgagee shall think proper or expedient for carrying out any obligations imposed on the Owner under this Deed or for exercising any of the powers conferred by this Deed or for giving to the Mortgagee the full benefit of the security created hereby and so that this appointment shall operate to authorise such attorney to do on behalf of the Owner anything it can lawfully do by an attorney (including in relation to the Aircraft, the Earnings, the Insurances and the Requisition Compensation). The Owner ratifies and confirms and agrees to ratify and confirm any deed, instrument, act or thing which such attorney or substitute may execute or do. Further, Owner shall provide a duly executed copy of the Power of Attorney, which may be filed with the Aviation Authority, upon execution of this Aircraft Mortgage.

**19. FURTHER ASSURANCES**

- (a) The Owner agrees that at any time and from time to time upon the written request of the Mortgagee it will promptly and duly execute and deliver any and all such further instruments and documents as the Mortgagee may deem desirable for the purpose of obtaining the full benefit of this Deed, for giving effect to the security created by this Deed and of the rights and powers granted in this Deed (including executing and delivering to the Mortgagee such documents of transfer as the Mortgagee may require in the event of sale of the Aircraft pursuant to any power of sale contained in this Deed or which the Mortgagee may have in law).
- (b) The obligations of the Owner under this clause 19 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Deed by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

**20. MISCELLANEOUS****20.1 Waivers**

Time shall be of the essence under this Deed but no failure or delay on the part of the Mortgagee to exercise any power, right or remedy under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise by the Mortgagee of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy.

**20.2 Remedies**

The remedies provided in this Deed are cumulative and are not exclusive of any remedies provided by law.

**20.3 Amendment**

Any amendment or waiver of any provision of this Deed and any waiver of any default under this Deed shall only be effective if made in writing and signed by the Mortgagee.

**20.4 Statement of Account**

Any statement of account signed as correct by the Mortgagee showing any amount due under this Deed or any other Finance Document shall, in the absence of manifest error or fraud, be conclusive evidence of the amount so due.

**20.5 Severability**

If any provision of this Deed is prohibited or unenforceable in any jurisdiction such prohibition or unenforceability shall not invalidate the remaining provisions hereof or affect the validity or enforceability of such provision in any other jurisdiction.

**20.6 Assignment**

The Mortgagee may assign and/or transfer any or all of its rights and obligations under this Deed and the Owner authorises the Mortgagee to give such relevant assignees or transferees or their agents any financial or other information about the Owner. The Owner shall not assign or transfer any of its rights or obligations under this Deed.

**20.7 Successors and Assigns**

This Deed shall bind and shall inure for the benefit of each of the parties hereto and each of their respective successors and permitted assigns.

**20.8 Third Party Rights**

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

**20.9 Law of Property Act 1925**

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed.

**20.10 Counterparts**

This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Deed by signing any such counterpart.

**21. NOTICES**

Any communication to be made under or in connection with this Deed shall be made in accordance with clause 17 (*Notices*) of the Facility Agreement.

**22. GOVERNING LAW AND JURISDICTION**

- (a) This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.
- (b) The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) ("**Dispute**").
- (c) Each of the parties hereto agree that the courts of England and Wales are the most appropriate and convenient courts to settle Disputes and accordingly no party hereto will argue to the contrary.



- (d) Clauses 22(b) and 22(c) are for the benefit of the Mortgagee only. As a result, nothing in this Deed shall limit any right of the Mortgagee to take *in rem* proceedings against the Aircraft or *in personam* proceedings against the Owner (together "**Proceedings**") in any other court or competent jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction whether concurrently or not (unless precluded by applicable law). The Owner irrevocably waives (and irrevocably agrees not to raise) any objection which it may have now or subsequent to the laying of the venue of any Proceedings in any court and any claim that any such Proceedings brought in any court shall be conclusive and binding on the parties hereto.
- (e) The Owner waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of (a) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues, and (b) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action *in rem*, for the arrest, detention or sale of any of its assets and revenues (including, the Aircraft). The Owner agrees that in any Proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of the English State Immunity Act 1978.
- (f) RN041 Inc., hereby appoints Falcon VC Limited whose address as at the date hereof is 191 Stonhouse Street, London, SW4 6BB, England, to be its agent for service of process on its behalf in any legal action or proceedings begun in connection with this Deed in the English courts and undertakes to promptly appoint a new agent acceptable to the Mortgagee if such agent or any new agent ceases for any reason so to act or to have a place of business in England.
- (g) This Aircraft Mortgage shall be deemed delivered in the State of Oklahoma for purposes of Title 49 USC §44108 upon the filing of the same for recordation with the Federal Aviation Administration.

## 23. OWNER TRUSTEE

- (a) The Owner Trustee holds legal title to the Aircraft, and the Beneficial Owner is the beneficiary of the Trust Agreement. Owner Trustee and Beneficial Owner are executing this Aircraft Mortgage collectively as Owner hereunder, and agree that they are jointly and severally liable in connection with the Aircraft Mortgage, including but not limited to any and all representations, duties, covenants, liabilities and obligations hereunder.
- (b) Within the limits of the terms and conditions of the Trust Agreement, after notice by the Mortgagee to the Owner Trustee and Beneficial Owner of an Event of Default, the Beneficial Owner hereby instructs the Owner Trustee to act as directed by the Mortgagee, and the Owner Trustee hereby agrees to act as directed by the Mortgagee as if the Mortgagee were the beneficiary under the Trust Agreement (including without limitation executing any bill of sale, terminations, releases, assignments, amendments, airworthiness documents, ferry flight permits, aircraft renewal documents, United States registration number reservation, assignment or change documents or any other documents required by the Mortgagee) despite any conflicting instructions of the Beneficial Owner. Furthermore, Owner Trustee agrees to provide a 30-day prior written notice to the Mortgagee in the event that the Owner Trustee intends to terminate the Trust Agreement.
- (c) RN041 Inc., is executing this Aircraft Mortgage solely in its capacity as owner trustee for the Beneficial Owner under the Trust Agreement and not in its individual capacity (except as expressly provided) and in no case shall RN041 Inc., be personally liable for or on account of any of the statements, representations, warranties, covenants or obligations stated to be those of the Owner Trustee and/or Beneficial Owner hereunder, all such liability, if any, being expressly waived by the parties hereto and any person claiming by, through, or under such party; provided, however, that RN041 Inc., (or any successor trustee) shall be personally liable hereunder for its own gross negligence or wilful misconduct or for its breach of its covenants,

representations and warranties contained therein, to the extent covenanted or made in its individual capacity.

- (d) The Aviation Authority or any other duly authorized authority of the United States or any other aviation authority of a government which has jurisdiction over the Aircraft ("**Regulatory Authority**") may require the Owner Trustee or Beneficial Owner to provide certain information regarding the ownership, operation, maintenance and condition of the Aircraft as set forth in the "Notice of Policy Clarification for the Registration of Aircraft to U.S. citizen Owner Trustees in Situations involving Non-U.S. Citizen Trustors and Beneficiaries", published in the Federal Register on 18 June 2013 (78 FR 36412)), which incorporates certain provisions of the "Notice of Proposed Policy Clarification for the Registration of Aircraft to U.S. Citizen Trustees in Situations involving Non-U.S. Citizen Trustors and Beneficiaries", published in the Federal Register on 9 February 2012 (77 FR 6694)), as each may be modified, amended or supplemented from time to time, and as may be further enforced or interpreted by the Aviation Authority (collectively the "**Policy Clarification**"). Beneficial Owner has reviewed the Policy Clarification and, upon written request by the Owner Trustee, Aviation Authority or Regulatory Authority, will (i) provide the Owner Trustee, Aviation Authority or Regulatory Authority with the information required by the Policy Clarification and (ii) where applicable, cause an operator of the Aircraft to provide the Owner Trustee, Aviation Authority or Regulatory Authority with the information required by the Policy Clarification.

This Deed has been entered into as a deed and delivered on the date stated at the beginning of this Deed.

## SCHEDULE 1: AIRCRAFT DESCRIPTION

**Airframe\***

Manufacturer	McDonnell Douglas Helicopter
Model	600N
Serial Number	RN041
Registration Mark	N641LB
State of Registration	United States of America
Year of Manufacture	1998

**Engine(s)\*\***

Manufacturer	Rolls Royce Corporation
Model	250-C47M
Serial Number(s)	CAE-847846

**APU**

Manufacturer	N/A
Model	N/A
Serial Number	N/A
Propeller(s)	
Manufacturer	N/A
Model	N/A
Serial Number(s)	N/A

Each of the above-described Engines is five hundred and fifty (550) or more rated takeoff horsepower or its equivalent.

**\* Described on the International Registry Manufacturer's List as MCDONNELL DOUGLAS HELICOPTER model 600N, serial number RN041.**

**\*\* Described on the International Registry Manufacturer's List as ROLLS ROYCE model 250-C47, serial number(s) 847846.**

**SCHEDULE 2: OPERATIONAL AND MAINTENANCE COVENANTS**

1. The Owner shall:
  - (a) 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 Aviation Authority to the standard required by the Aviation 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 Aviation Authority plus a valid Airworthiness Review Certificate and annual certificate of release to service;
  - (b) 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 Aviation Authority or the Maintenance Programme to be maintained with respect to the Aircraft;
  - (c) permit the Mortgagee to carry out (at the Owner's cost and expense on an annual basis and at any time following an Event of Default) an inspection and desk-top valuation of the Aircraft (including the Manuals and Technical Records) and, for that purpose, will grant the Mortgagee and its authorised representatives access to any land or buildings on or in which the Aircraft and/or the Manuals and Technical Records may be stored provided that any such inspection shall not (unless an Event or Default has occurred) unreasonably disturb the normal commercial operation or maintenance of the Aircraft;
  - (d) promptly pay and discharge as they fall due all costs and expenses of operating, storing and maintaining the Aircraft and performing its obligations 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 Aviation Authority (whether relating to navigation or otherwise) and will (if required by the Mortgagee):
    - (i) deliver (or procure that the Operator will deliver) a letter to Eurocontrol authorising the disclosure to the Mortgagee of all outstanding navigation charges in a form approved in writing by the Mortgagee; and
    - (ii) on written request by the Mortgagee supply evidence of the payment of any such charges;
  - (e) replace promptly any Part of the Aircraft or any Engine which becomes worn out or in respect of which a loss occurs with a replacement Part or Engine which shall be:
    - (i) owned by the Owner free and clear of all Security Interests; and
    - (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);
  - (f) not (without the written consent of the Mortgagee) change the Habitual Base of the Aircraft;
  - (g) make 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 Aviation Authority or any other relevant authority within the time period required by the relevant authority or the relevant manufacturer;
  - (h) comply (on a terminating action basis where available) with all mandatory Airworthiness Directives from time to time issued by the Aviation 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 Aviation Authority);
  - (i) ensure that all inspections, services, repairs, overhauls, tests and modifications to be carried out to or on the Aircraft are carried out by a qualified and certified maintenance organisation;
  - (j) 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 following the occurrence of such event or circumstance, the Owner shall notify the Mortgagee immediately and shall take all steps necessary to ensure that the Aircraft is promptly released therefrom;
  - (k) ensure that such crew and engineers are employed in connection with the operation and maintenance of the Aircraft have such qualifications and hold such licences as are required by the Aviation Authority and by all other applicable laws and regulations;
  - (l) affix and keep affixed to the Aircraft (in a prominent position in the cockpit) and to each Engine (underneath the cowling) a fireproof metal plate which has inscribed thereon (in legible characters):

*"This Aircraft, its engines and accessories are owned by Falcon VC Limited as owner subject to a first priority mortgage in favour of Paragon Business Finance PLC";*

- (m) not permit the Aircraft to be operated for testing, training, racing or any purpose for which it is not designated or reasonably suitable;
  - (n) at any time within normal business hours on two (2) Business Days' notice from the Mortgagee (provided that no notice shall be required where an Event of Default has occurred) make available to the Mortgagee for inspection the Manuals and Technical Records and all other records kept by the Owner or any other person in respect of the Aircraft;
  - (o) on request, promptly furnish to the Mortgagee all such information regarding the operation, maintenance and condition of the Aircraft as the Mortgagee may request;
  - (p) promptly (and in any event within seven (7) days of any casualty, damage or accident) furnish the Mortgagee with full details of any casualty or other damage or accident to the Aircraft in the event that the value or cost of such casualty or damage exceeds the Major Damage Threshold; and
  - (q) 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 Owner may:
- (a) remove any Part (other than an Engine) in the ordinary course of maintenance, service, repair, overhaul or testing, provided that it promptly replaces such Part with a replacement Part which complies with paragraph 1(e);
  - (b) 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 complies with paragraph 1(e) is installed on the Aircraft, within fourteen (14) days of the removal from the Aircraft of such Engine and provided further that the removed Engine remains the property of the Owner unless and until a replacement engine which complies with paragraph 1(e) is installed on the Aircraft;
  - (c) 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 Mandatory Service Bulletin provided that no such alteration, modification or addition (other than pursuant to an Airworthiness Directive or Mandatory Service Bulletin) breaches the requirements or recommendations of the Aviation Authority, the Maintenance Programme, the manufacturer or any other relevant authority or materially diminishes the value or utility of the Aircraft or impairs the airworthiness of the Aircraft and provided further that no such alteration or modification may be made with or comprising Parts which are not owned absolutely by the Owner free from all Security Interests (other than any Security Interest constituted by any Finance Document);
  - (d) remove any Part (other than an Engine) from the Aircraft without replacing it as required by this Deed 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; and
    - (iii) can be removed from the Aircraft without impairing the airworthiness of the Aircraft or diminishing its value;
  - (e) whilst an Engine has been removed from the Aircraft in accordance with the provisions of paragraph 2(b), install a replacement engine which is not the property of the Owner provided that the removed Engine is re-installed, or such other engine as may satisfy the requirements of paragraph 1(e) is installed, on the Aircraft within the period specified in paragraph 2(b) and, further provided that the Engine substituted or replaced by such replacement engine shall at all times remain free from any Security Interest, shall remain the property of the Owner, and shall not cease to be subject to this Deed and the other Finance Documents and until it is replaced by an engine which satisfied the requirements of paragraph 1(e); and
  - (f) print or paint its name or other symbol on the Aircraft.
3. Subject to paragraph 2, the Owner may not without the express prior written consent of the Mortgagee:
- (a) make any alteration in or modification or addition to the Aircraft, remove any Part from the Aircraft or, other than in accordance with the Maintenance Programme or in the ordinary course of the operation of the Aircraft, install any Part on the Aircraft or permit any of the foregoing events to occur;



- (b) make, do or permit or agree to any act or omission which might cause the Aircraft to be exposed to penalty, forfeiture, impounding, destruction or abandonment under any applicable law or regulation; or
  - (c) hold out or represent, permit or suffer the holding out or representation that any member of the crew of the Aircraft is in the employment of the Mortgagee or that the Mortgagee is carrying persons or goods in the Aircraft or is in any way connected or associated (whether for hire or gratuitously) with any operation of the Aircraft undertaken by (or on behalf of) the Owner.
- 4. The Owner shall promptly notify the Mortgagee:
  - (a) of any material alterations in or material modifications or additions to the Aircraft;
  - (b) of any Security Interest arising on the Aircraft and/or exercised over the Aircraft other than pursuant to any Finance Document; and
  - (c) (if the Mortgagee requests) the location of the Aircraft and of any Engine which is not, for the time being, installed 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 obligations of the Owner to maintain the Aircraft in the manner required under this Deed.

**SCHEDULE 3: INSURANCE COVENANTS**

1. The Owner shall effect and maintain in relation to the Aircraft throughout the Security Period:
  - (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 Currency which is not less than the Agreed 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 to the fullest extent available from the leading aviation insurance markets, (being as ordinarily covered under Aviation Hull "War and allied perils" policy LSW555D or (where agreed by us in writing) Extended Coverage Endorsement (Aircraft Hulls) AVN51(A)), including confiscation and requisition by the State of Registration on an "agreed value basis" for an amount in the Currency which is not less than the Agreed Value;
  - (c) All risks insurance on the Engines and Parts while not installed on the Airframe (and not considered part of the Aircraft for insurance purposes) or the Aircraft on an "agreed value basis" for their full replacement cost in the Currency; and
  - (d) a policy or policies of insurance covering aircraft third party, passenger, baggage and cargo legal liability for a combined single limit (Bodily Injury/Property Damage) of not less than the Agreed Liability Amount (and in any event not less than the amount carried in respect of the same or similar aircraft in the Owner's or the Operator's fleet (if any) 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.
2. The insurances required under paragraph 1 shall be provided on an agreed value basis (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 Mortgagee as additional insured and contract party for its respective rights and interests;
  - (b) include a reference to the Facility Agreement, this Deed and any other relevant Finance Document;
  - (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 Agreed Deductible.
3. The policies evidencing the insurances required under paragraph 1(d) shall:
  - (a) include the Mortgagee 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 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 Mortgagee or any of its officers, directors, employees, agents and its successors and assigns.
4. The policies evidencing any Insurances required under paragraph 1 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 any 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 the then generally accepted market practice);
  - (c) provide that the Insurers shall waive any right of subrogation to any right against the Mortgagee, any of its officers, directors, employees, agents and its successors, transferees and assigns;
  - (d) provide that the Mortgagee 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 Mortgagee otherwise than in respect of unpaid premiums with respect to the Insurances;

- (e) provide that the required insurance 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 (30) days' notice in writing (but seven (7) days or such lesser period as may be customarily available in respect of War and Allied Perils) to the Mortgagee. 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; and
  - (f) unless or to the extent that the Mortgagee requires otherwise, be written in accordance with Airline Finance/Lease Contract Endorsement AVN67B (or where permitted by the Mortgagee, AVN28B).
- 5. All Insurances shall be maintained with such insurance underwriters and companies as the Mortgagee may approve.
- 6. The Owner shall in relation to the Aircraft:
  - (a) furnish to the Mortgagee forthwith upon the date not later than seven days after the renewal date of each Insurance, a certificate or certificates signed by the relevant Insurers (or their authorised representatives) or the Approved Brokers providing evidence of insurance coverage pursuant to this schedule 3 (*Insurance Covenants*). 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 to the Mortgagee, on written request, evidence of:
    - (i) payment of each sum then due and payable under or in connection with the Insurances; and
    - (ii) 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; and
  - (c) procure that the relevant Insurers or Approved Brokers provide the Mortgagee with such other information as to any Insurances as the Mortgagee may request.
- 7. 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 Mortgagee or as the Mortgagee 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 invoice provided that if the proceeds of insurance in respect of such a partial loss are equal to or exceed the Major Damage Threshold then they shall be paid in full to the Mortgagee or as the Mortgagee shall direct without any deduction or deductions whatsoever; and
  - (c) all proceeds of loss of or damage to an Engine which does not constitute repairable damage shall be paid in full to the Owner or to the seller of an engine which the Mortgagee has accepted as a replacement for the Engine which has suffered a Total Loss.
- 8. The Owner shall, in relation to the Aircraft cause the Approved Brokers to issue a written undertaking in favour of the Mortgagee in such form as the Mortgagee may approve which shall inter alia:
  - (a) require such Approved Brokers to notify the Mortgagee forthwith upon such Approved Brokers becoming aware of any cancellation or non-renewal of or modification to the Insurances of their ceasing to act as insurance brokers to the Owner or of any other fact or circumstance of which they may at any time learn which might invalidate the Insurances or render them wholly or partially unenforceable; and
  - (b) require the Brokers to provide the Mortgagee with a certificate of insurance at the same time as the Broker supplies the same to the Owner.
- 9. The Owner shall, in relation to the Aircraft, forthwith notify the Mortgagee of any event which may give rise to a claim under the Insurances.
- 10. The Owner shall not, in relation to the Insurances:
  - (a) make or permit the making of any modification to the Insurances without the express prior written consent of the Mortgagee; or





- (b) do, omit to do, permit or suffer to exist anything whereby the Insurances would or might 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 the Insurances or if the Insurances have lapsed.
- 11. The Owner shall, in relation to the Insurances, bear any part of any loss or liability which is to be borne by the insured under the Insurances (notwithstanding that such Insurance names the Mortgagee or other person as additional named insured).
- 12. The Owner shall, in relation to the Insurances, reimburse the Mortgagee on demand the amount of any premiums or premium instalments which the Mortgagee may pay.
- 13. If the Owner shall fail to maintain Insurances, or cause to be maintained Insurances which in the sole opinion of the Mortgagee do not meet the requirements of this Deed, the Mortgagee may at its option, after notice in writing to the Owner, obtain such Insurances and in such event the Owner shall, upon demand, reimburse the Mortgagee for the cost thereof.
- 14. Without in any way limiting the Owner's obligations under the other provisions of this schedule 3 (*Insurance Covenants*) the Owner 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 Owner shall, at its costs and expense, do all things and take any and all such action available to it to ensure that the interests of the Mortgagee 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 Mortgagee shall be of the opinion that its interests in the Insurances are not adequately protected by reason of the operation of clause "AVN2000 Date Recognition Exclusion Clause" or any equivalent clause, the Mortgagee may without obligation take out such policy of insurance to insure the Mortgagee against such risks as the Mortgagee may think fit and the Owner shall indemnify and does hereby indemnify the Mortgagee against any Loss suffered, incurred or paid in connection therewith.



## SCHEDULE 4: NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT OF INSURANCE

To: [Insurer]

[Date]

[◆] AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBER [◆] AND REGISTRATION MARK [◆] ("AIRCRAFT")

We hereby give you notice that by an aircraft mortgage dated [◆] ("Mortgage") and made between (1) [◆] (not in its individual capacity but in its capacity as owner trustee) ("Owner Trustee"), (2) [◆] ("Beneficial Owner") and PARAGON BUSINESS FINANCE PLC ("Mortgagee") we (the Owner and Beneficial Owner) have assigned to the Mortgagee all of our respective right, title, interest and benefit in, to and under, inter alia, the proceeds of all policies and contracts of insurance or such other insurance arrangements which are from time to time entered into in respect of the Aircraft pursuant to schedule 3 (*Insurance Covenants*) of the Mortgage, including all claims under the policies and contracts and return of premiums (excluding proceeds in respect of any third party liability) in relation to the Aircraft.

Please acknowledge receipt of this notice by countersigning and dating this notice and send such countersigned and dated notice to the Mortgagee.

Terms used in this notice shall, 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).

.....  
For and on behalf of  
[OWNER TRUSTEE]

By: [◆]

Title: [◆]

.....  
For and on behalf of  
[BORROWER]

By: [◆]

Title: [◆]

To: PARAGON BUSINESS FINANCE 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 [◆] in the above-mentioned insurances.

.....  
For and on behalf of  
◆

By: [◆]

Title: ◆

Date: [◆]



## SCHEDULE 5: NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

To: [Insert name and address of Third Party - eg. Manufacturer/maintenance performer]

[Date]

[◆] AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBER [◆] AND REGISTRATION MARK [◆] ("AIRCRAFT")

We hereby give you notice that by an aircraft mortgage dated [◆] ("Mortgage") and made between (1) [◆] (not in its individual capacity but in its capacity as owner trustee) ("Owner Trustee"), (2) [◆] ("Beneficial Owner") and PARAGON BUSINESS FINANCE PLC ("Mortgagee"), we (the Owner Trustee and the Beneficial Owner) have assigned to the Mortgagee all of our respective right, title, interest and benefit in, to and under [DETAILS OF RELEVANT DOCUMENT TO BE INCLUDED][all warranties in respect of the Aircraft (including the airframe, the engine or any part) by any manufacturer or supplier, including any warranty as to title and all post-delivery rights relating to such warranties and the benefit of any agreement for the repair, maintenance, overhaul, testing or servicing of the Aircraft (including the airframe, the engine or any part) including the benefit of all warranties and indemnities relating thereto ("Warranties")][all earnings with respect to the Aircraft][under the [description of relevant document]].

Until the Mortgagee 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][the Lease Agreement][include description of relevant documents] and you are to continue performing your obligations thereunder in our favour.

Please acknowledge receipt of this notice by countersigning and dating this notice and send such countersigned and dated notice to the Mortgagee.

.....  
For and on behalf of  
[OWNER TRUSTEE]

By: [◆]

Title: [◆]

.....  
For and on behalf of  
[BORROWER]

By: [◆]

Title: [◆]



To: **PARAGON BUSINESS FINANCE 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 [◆] relating thereto.

.....  
For and on behalf of  
[◆]

By: [◆]

Title: [◆]

Date: [◆]



**SCHEDULE 6: FACILITY AGREEMENT**

[TO BE INSERTED]



## SCHEDULE 7: IDERA

\_\_\_\_\_, 2023

To: FAA Aircraft Registry  
Oklahoma City, Oklahoma

Re: Irrevocable De-Registration and Export Request Authorization

The undersigned is the registered owner of one (1) McDonnell Douglas Helicopter model 600N bearing manufacturer's serial number RN041 (**described on the International Registry Manufacturer's List as MCDONNELL DOUGLAS HELICOPTER model 600N, serial number RN041**) and United States nationality and registration marks N641LB and one (1) Rolls Royce Corporation model 250-C47M aircraft engine bearing **manufacturer's serial number 847846 (described on the International Registry Manufacturer's List as ROLLS ROYCE model 250-C47, serial numbers 847846)** (together with all installed, incorporated or attached accessories, parts and equipment, the "Aircraft").

This instrument is an irrevocable de-registration and export request authorization issued by the undersigned in favor of Paragon Business Finance Plc (the "Authorized Party") under the authority of Article XIII of the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment. In accordance with that Article, the undersigned hereby requests.

(i) recognition that the Authorized Party or the person it certifies as its designee is the sole person entitled to:

a. procure the de-registration of the Aircraft from the United States Civil Aircraft Register maintained by the Federal Aviation Administration for the purposes of Chapter III of the Convention on International Civil Aviation, signed at Chicago, on 7 December 1944; and

b. procure the export and physical transfer of the Aircraft from the United States; and

(ii) confirmation that the Authorized Party or the person it certifies as its designee may take the action specified in clause (i) above on written demand without the consent of the undersigned and that, upon such demand, the authorities in the United States shall co-operate with the Authorized Party with a view to the speedy completion of such action.

The rights in favor of the Authorized Party established by this instrument may not be revoked by the undersigned without the written consent of the Authorized Party.

Please acknowledge your agreement to this request and its terms by appropriate notation in the space provided below and filing this instrument in the FAA Aircraft Registry.

RN041 Inc., not in its individual capacity, but solely as owner trustee

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Agreed to and filed this \_\_\_\_ day of \_\_\_\_\_, 2023.

FAA Aircraft Registry

BY: \_\_\_\_\_

## SCHEDULE 8: POWER OF ATTORNEY

## IRREVOCABLE POWER OF ATTORNEY IN FACT (OWNER TRUSTEE)

RN041 Inc. (the "Owner Trustee") is the owner trustee under that certain Aircraft Mortgage dated as of \_\_\_\_\_, 2023 (the "Security Agreement") executed in favor of Paragon Business Finance Plc ("Secured Party") and with respect, in part, to the one (1) McDonnell Douglas Helicopter model 600N aircraft, bearing Serial Number RN041 (described on the International Registry Manufacturer's List as MCDONNELL DOUGLAS HELICOPTER model 600N, serial number RN041) and United States Registration Number N641LB and one (1) Rolls Royce Corporation model 250-C47M aircraft engine bearing manufacturer's serial number 847846 (described on the International Registry Manufacturer's List as ROLLS ROYCE model 250-C47, serial number 847846) (the "Aircraft").

For \$10 and other good and valuable consideration and as contemplated by the Security Agreement the Owner Trustee hereby:

I. Irrevocably constitutes Secured Party and any employee, officer or agent thereof, with full power of substitution, as its true and lawful attorney in fact with full power and authority in the place and stead of Owner Trustee and in the name of Owner Trustee or in its own name, from time to time in Secured Party's sole discretion, for the purpose of carrying out the terms of the Security Agreement

II. Irrevocably authorizes Secured Party and any employee, officer or agent thereof to take any and all appropriate action in the name of the Owner Trustee and to make, execute, deliver, file and/or record any and all instruments or documents in the name of the Owner Trustee (including, without limitation, any FAA filings, UCC financing statements or UCC amendments, International Registry registrations or services agreements, bills of sale, releases, terminations, AC Forms 8050-1, 8050-1A and 8050-1B, request to reserve, assign or change US registration numbers Aircraft Registrations, airworthiness documents or applications for ferry flight permits) that may be necessary or desirable to accomplish the purposes of the Security Agreement.

III. Without limiting the generality of the foregoing, Owner Trustee hereby further (i) irrevocably ratifies the foregoing appointment and authorization and all that Secured Party or any employee, officer or agent thereof shall lawfully do or cause to be done by virtue of the foregoing, including, without limitation, with regard to the execution, delivery, filing and/or recording of any instruments or documents in the name of the Owner Trustee, (ii) agrees that Secured Party shall have authority to endorse Owner Trustee's name on any checks, notes, drafts or any other payments or instrument relating to the Collateral that come into Secured Party's possession or control and to settle, adjust, receive payment and make claim or proof of loss, (iii) agrees that Owner Trustee shall not file or record any corrective or termination statements with respect to any UCC financing statements, amendments or assignments, International Registry registrations or services agreements filed or recorded by or for the benefit of Secured Party with respect to any of the Collateral without Secured Party's prior written consent, and (iv) agrees that any signature, execution and delivery of any document or instrument may be satisfied, in Secured Party's sole discretion, by authentication of such document or instrument as a record within the meaning of Article 9 of the UCC. The Secured Party shall not have any obligation whatsoever to exercise any of the powers hereby conferred upon it or to make any demand or enquiry as to the nature of sufficiency of any payment received by it, or to present or file any claim or notice or take any other action whatsoever with respect to the Aircraft. No action taken by the Secured Party in good faith in the exercise of the power of attorney shall give rise to any defense, counterclaim or set-off in favor of the Owner Trustee.

**This Irrevocable Power of Attorney in Fact (the "Power of Attorney") is coupled with an interest, is irrevocable and shall terminate in twenty (20) years or upon payment and performance in full of all of the obligations under the Security Agreement. The powers conferred on the Secured Party hereunder are solely to protect the Secured Party's interests in the Aircraft and shall not impose any duty upon it to exercise such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Owner Trustee for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel. No exercise by the Secured Party of its rights or powers shall have the effect of imposing liabilities or obligations upon the Secured Party which are greater than those imposed on the Secured Party elsewhere in the Security Agreement.**

[SIGNATURE PAGE TO FOLLOW]



This Power of Attorney shall in all respects be interpreted in accordance with, and governed by the laws of England & Wales.

IN WITNESS WHEREOF this Power of Attorney was executed on this \_\_\_\_\_, 2023.

**EXECUTED** as a deed for and on behalf of )  
**RN041 Inc.**, (not in its individual capacity, but as )  
owner trustee under the Trust Agreement) )  
by a director )  
in the presence of a witness: )

Signature \_\_\_\_\_

Name (block capitals) \_\_\_\_\_

**Director**

Witness signature \_\_\_\_\_

Witness name  
(block capitals) \_\_\_\_\_

Witness address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_





### IRREVOCABLE POWER OF ATTORNEY IN FACT (BENEFICIAL OWNER)

Falcon VC Limited (the "**Beneficial Owner**") is the beneficial owner under that certain Aircraft Mortgage dated as of \_\_\_\_\_, 2023 (the "**Security Agreement**") executed in favor of Paragon Business Finance Plc ("**Secured Party**") and with respect, in part, to the one (1) McDonnell Douglas Helicopter model 600N aircraft, bearing Serial Number RN041 (described on the International Registry Manufacturer's List as **MCDONNELL DOUGLAS HELICOPTER model 600N, serial number RN041**) and United States Registration Number N641LB and one (1) Rolls Royce Corporation model 250-C47M aircraft engine bearing manufacturer's serial number **847846** (described on the International Registry Manufacturer's List as **ROLLS ROYCE model 250-C47, serial number 847846**) (the "**Aircraft**"). For \$10 and other good and valuable consideration and as contemplated by the Security Agreement the Beneficial Owner hereby:

IV. Irrevocably constitutes Secured Party and any employee, officer or agent thereof, with full power of substitution, as its true and lawful attorney in fact with full power and authority in the place and stead of Beneficial Owner and in the name of Beneficial Owner or in its own name, **from time to time in Secured Party's sole discretion**, for the purpose of carrying out the terms of the Security Agreement

V. Irrevocably authorizes Secured Party and any employee, officer or agent thereof to take any and all appropriate action in the name of the Beneficial Owner and to make, execute, deliver, file and/or record any and all instruments or documents in the name of the Beneficial Owner (including, without limitation, any FAA filings, UCC financing statements or UCC amendments, International Registry registrations or services agreements, bills of sale, releases, terminations, AC Forms 8050-1, 8050-1A and 8050-1B, request to reserve, assign or change US registration numbers Aircraft Registrations, airworthiness documents or applications for ferry flight permits) that may be necessary or desirable to accomplish the purposes of the Security Agreement.

VI. Without limiting the generality of the foregoing, Beneficial Owner hereby further (i) irrevocably ratifies the foregoing appointment and authorization and all that Secured Party or any employee, officer or agent thereof shall lawfully do or cause to be done by virtue of the foregoing, including, without limitation, with regard to the execution, delivery, filing and/or recording of any instruments or documents in the **name of the Beneficial Owner**, (ii) **agrees that Secured Party shall have authority to endorse Beneficial Owner's name on any checks, notes, drafts or any other payments or instrument relating to the Collateral that come into Secured Party's possession or control and to settle, adjust, receive payment and make claim or proof of loss**, (iii) agrees that Beneficial Owner shall not file or record any corrective or termination statements with respect to any UCC financing statements, amendments or assignments, International Registry registrations or services agreements filed or recorded by or for the benefit of Secured Party with respect to any of the Collateral without **Secured Party's prior written consent**, and (iv) **agrees that any signature, execution and delivery of any document or instrument may be satisfied, in Secured Party's sole discretion, by authentication of such document or instrument as a record within the meaning of Article 9 of the UCC**. The Secured Party shall not have any obligation whatsoever to exercise any of the powers hereby conferred upon it or to make any demand or enquiry as to the nature of sufficiency of any payment received by it, or to present or file any claim or notice or take any other action whatsoever with respect to the Aircraft. No action taken by the Secured Party in good faith in the exercise of the power of attorney shall give rise to any defense, counterclaim or set-off in favor of the Beneficial Owner.

**This Irrevocable Power of Attorney in Fact (the "Power of Attorney") is coupled with an interest, is irrevocable and shall terminate in twenty (20) years or upon payment and performance in full of all of the obligations under the Security Agreement. The powers conferred on the Secured Party hereunder are solely to protect the Secured Party's interests in the Aircraft and shall not impose any duty upon it to exercise such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Beneficial Owner for any action taken or omitted to be taken in good faith or in reliance on the advice of counsel. No exercise by the Secured Party of its rights or powers shall have the effect of imposing liabilities or obligations upon the Secured Party which are greater than those imposed on the Secured Party elsewhere in the Security Agreement.**

[SIGNATURE PAGE TO FOLLOW]



This Power of Attorney shall in all respects be interpreted in accordance with, and governed by the laws of England & Wales.

IN WITNESS WHEREOF this Power of Attorney was executed on this \_\_\_\_\_, 2023

EXECUTED as a deed for and on behalf of )  
Falcon VC Limited )  
by two directors: )  
)

Signature \_\_\_\_\_

Name (block capitals) \_\_\_\_\_

Director

Signature \_\_\_\_\_


Name (block capitals) \_\_\_\_\_

Director

## EXECUTION PAGE


## THE BENEFICIAL OWNER

EXECUTED as a deed for and on behalf of )  
**Falcon VC Limited** )  
 by two directors: )

DocuSigned by:  
 Signature   
 72F73EAD40074E1...

Name (block capitals) ALEXANDER RUTHERFORD

**Director**


DocuSigned by:  
 Signature   
 21C44C8FA0E744F...

Name (block capitals) CLAIRE RUTHERFORD

**Director**

## THE OWNER TRUSTEE

EXECUTED as a deed for and on behalf of )  
**RN041 INC.**, (not in its individual capacity but as )  
 owner trustee under the Trust Agreement )  
 by a director )  
 in the presence of a witness:

DocuSigned by:  
 Signature   
 F34515F4A70441D...

Name (block capitals) JOHN C. STURGEON

**Director**


DocuSigned by:  
 Witness signature   
 6C2C79CDB26A4D5...

Witness name ANNETTE STURGEON  
 (block capitals)

Witness address   
  


## THE MORTGAGEE

SIGNED for and on behalf of )  
**PARAGON BUSINESS FINANCE PLC** )  
 )  
 )

DocuSigned by:  
 Signature   
 7089DAB214EC454...

Name (block capitals) JOHN PHILLIPOU

**Authorised signatory -  
 Manager**