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in black type, or
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*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use Company number

14

3802219

Name of company

* Alteon Training UK Limited ("the Chargor")

Date of creation of the charge

30 October 2003

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

A deed between Alteon Training UK Limited (1) and BH Finance LLC (2)
("the Debenture")

Amount secured by the mortgage or charge

PLEASE SEE ATTACHED CONTINUATION SHEETS

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

BH Finance LLC/a Nebraska limited liability company incorporated with
its principal office at 3024 Harney Street, Omaha, Nebraska, 68131, USA
("the Chargee")

Postcode

Presenter's name address and
reference (if any):

Lawrence Graham
190 Strand
WC2R 1JN

ref: PW/F2669/1

doc no:4226635,4226639

Time critical reference

For official Use
Mortgage Section



A36
COMPANIES HOUSE
AQF4FPUN
0614
07/11/03

192
07/11/03

Short particulars of all the property mortgaged or charged

PLEASE SEE ATTACHED CONTINUATION SHEETS

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legibly, preferably
in black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

NIL

Signed Laurence Graham Date 31 October 2003

On behalf of XXXXXX [mortgagee/chargee][†]

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

[†]delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

AMOUNT SECURED BY THE MORTGAGE OR CHARGE

All monies, liabilities and other obligations due, owing, incurred or payable to the Chargee by any Obligor under the Finance Documents (the "Secured Obligations").

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

SECURITY

1. FIRST FLOATING CHARGE

The Chargor with full title guarantee charges in favour of the Chargee as security for the payment and discharge of the Secured Obligations by way of first floating charge:-

- 1.1.1 the Existing Simulators;
- 1.1.2 the Additional Simulators and other Equipment from time to time other than the Existing Simulators and, in all cases, the full benefit of all warranties and maintenance contracts for the Equipment;
- 1.1.3 the Book Debts;
- 1.1.4 the Proceeds of Book Debts;
- 1.1.5 the Related Intellectual Property;
- 1.1.6 all its rights under, or in connection with, authorisations held by the Chargor at any time during the Security Period in connection with the Charged Assets and the right to recover and receive all compensation or other amounts payable to the Chargor in respect of such authorisations;
- 1.1.7 the Related Insurance Policies and the proceeds of any of them and any returns of premiums in respect of them; and
- 1.1.8 all proceeds, collections, distributions and products, including insurance proceeds and claims, of the Charged Assets.

(together "the Security")

RESTRICTIONS ON DEALING/NEGATIVE PLEDGE

2. RESTRICTIONS

2.1 No Encumbrances over Charged Assets

The Chargor shall not, without the prior written consent of the Chargee, create or allow to subsist any Encumbrance on or over the Charged Assets (save for Permitted Encumbrances).

2.2 Dealing with Book Debts

The Chargor shall not, without the prior written consent of the Chargee, sell, assign, transfer, discount, factor, alienate, deal with or otherwise dispose of, exchange,

compound, set-off or grant time or indulgence in respect of, or waive or release the Book Debts otherwise than in accordance with Section 3 below.

2.3 **Dealing with other Charged Assets**

This Section 2.3 does not apply to the Book Debts. Subject to the provisions of Section 2.4 below, the Chargor shall not, without the prior written consent of the Chargee:-

- 2.3.1 sell, offer for sale, assign, transfer, grant any lease or licence in relation to, enter into any agreement for the sale or transfer of, or otherwise dispose of or deal with the Charged Assets or any interest in any of them or any part thereof or, to the extent that the Chargor has an interest therein, any place in which any Charged Asset is kept or agree to do any such thing;
- 2.3.2 part with possession of the Charged Assets;
- 2.3.3 confer upon any person any licence, right or interest to occupy the Charged Assets;
- 2.3.4 grant any licence or permission to assign or underlet the Charged Assets; or
- 2.3.5 enter into any option agreement or arrangement having a similar effect to any of the actions referred to above in this Section 2.3.

- 2.4 The prohibitions contained in Section 2.3 above shall not prevent the Chargor from dealing in the ordinary course of its business consistent with past practice and for full value on normal commercial terms with any of the Charged Assets unless and until the Floating Charge relating to the relevant Charged Asset is converted into a fixed charge in respect of the relevant Charged Asset but so that the ordinary course of business shall not extend to any disposal, sale or transfer (or agreement to do any of the foregoing) of any of the Existing Simulators or Additional Simulators or any interest or material part therein without the consent of the Chargee which shall not be unreasonably withheld or delayed and provided that the ordinary course of business shall include relocation of Existing Simulators and Additional Simulators to other facilities of the Chargor within England and Wales.

2.5 **Winding-up, corporate existence, etc.**

The Chargor shall not, without the prior written consent of the Chargee:-

- 2.5.1 enter into or take steps with a view to its Winding-up; or
- 2.5.2 take any action which may prejudice its corporate existence or its right or ability to carry on its business and operations.

3. **BOOK DEBTS**

3.1 **Collection**

The Chargor shall, during the Security Period:-

- 3.1.1 deal with the Book Debts in the ordinary course of its business consistent with past practice; and

3.1.2 upon and after the conversion of the Floating Charge into a fixed charge in respect of any of the Book Debts or the Proceeds of Book Debts:-

- (a) pay the Proceeds of Book Debts into such Proceeds Account as the Chargee may from time to time direct immediately upon receipt and, pending such payment, shall hold the Proceeds of Book Debts on trust for the Chargee; or
- (b) procure that the Proceeds of Book Debts be paid by the relevant debtor directly into such Proceeds Account; or

otherwise pay or deal with (or refrain from paying or dealing with) the Proceeds of Book Debts in accordance with any directions given by the Chargee from time to time.

INTERPRETATION

"Additional Simulator"

any flight simulator, flight training device or other training device from time to time owned by the Chargor or in which it is interested, other than the Existing Simulators;

"Book Debts"

all book and other debts of any nature now or at any time during the Security Period due or owing to the Chargor (excluding the Proceeds of Book Debts) including without limitation all rights to receive payment of money including accounts, receivables, credit balances, rights to receive payments under contracts, franchises, licences, permits, subscriptions or other agreements (whether or not earned by performance) and rights to receive payments from any other source and the benefit of, and the proceeds of all claims under, all Encumbrances, guarantees, indemnities, letters of credit and insurances of any nature now or hereafter enjoyed or held by the Chargor in relation to those book and other debts;

"Borrower"

Flight Safety Boeing Training International LLC (now known as Alteon Training L.L.C) a Delaware Limited Liability Company;

"Charged Assets"

the assets from time to time subject to the Debenture;

"Credit Agreement"

the Amended and Restated Secured Revolving Credit Agreement between Flight Safety Boeing Training International LLC and the Chargee dated 17 October 2002 as from time to time varied, supplemented or replaced;

"Encumbrance"

any mortgage, charge, pledge, hypothecation, lien, assignment, title retention, option, right of set off, security interest, trust arrangement and any other preferential right or agreement to confer security;

"Enforcement Event"

- (a) any breach by the Chargor of its obligations under the Debenture;
- (b) the occurrence of an Insolvency Event in relation to the Chargor;
- (c) the occurrence of an Event of Default or a Potential Event of Default;
- (d) any event which causes the Chargee to believe that any of the Charged Assets is in danger of seizure, distress, diligence or other legal process or that

the security created by the Debenture
 is otherwise for any reason in jeopardy;

"Equipment"

all flight simulators, flight training devices and other training equipment and associated computers, tapes, disks, computer equipment, spare parts, supporting equipment and related rights in which the Chargor is, now or at any time during the Security Period, legally, beneficially or otherwise interested including, without limitation, the Existing Simulators and any Additional Simulators from time to time owned by the Chargor or in which it is interested and all substitutions, replacements, renewals and additions made from time to time for, in or to them during the Security Period and where the context requires includes each or any part of them and all accessories including books, maintenance or other records, manuals, handbooks, data and drawings relating to the Equipment, documentation relating to warranties and patent indemnities given by manufacturers of the Equipment and all substitutions of and replacements additions alternatives and renewals whenever made to the Equipment;

"Event of Default"

an event of default as defined in the Credit Agreement;

"Existing Simulator"

each of the chattels listed in Schedule 1;

"Finance Documents"

the Debenture, the Credit Agreement and any other Loan Document as defined in the Credit Agreement;

"Floating Charge"

the floating charge created by clause 1 of the Debenture;

"Insolvency Event"

an event of insolvency as defined in clause 1.4.8 of the Debenture;

"Intellectual Property"

- (a) all patents, trade marks, service marks, trade names, domain names, rights in designs, software rights, utility models, database rights, copyrights, rights in the nature of copyright, and all other forms of intellectual or industrial property, whether or not registered or registrable and if registered or registrable for their full period of registration with all extensions and renewals, and including all applications for registration or otherwise which may be filed by, or on behalf of the Chargor in any jurisdiction;
- (b) moral rights or similar rights, inventions, formulae, confidential or secret processes and information, know-how and similar

rights, goodwill and any other protected rights and assets, whether registered or unregistered, arising or subsisting in any jurisdiction; and

- (c) the benefit of all licences, sub-licences, permissions and other rights to use any of the items listed in paragraphs (a) or (b) above,

in each case belonging to the Chargor or to which the Chargor is or may become entitled or in which the Chargor may have an interest at any time during the Security Period;

"Loan Document"

the loan documents as defined in the Credit Agreement;

"Obligor"

each of the Chargor and the Borrower;

"Permitted Encumbrance"

- (a) the Debenture;
- (b) liens or rights of set off arising in the normal course of trading or by operation of law securing obligations not more than 30 days overdue;
- (c) any rights by way of retention of title which are required by the supplier of any property to the Chargor in the normal course of such supplier's business;
- (d) Encumbrances to the existence of which the Chargee consents;

"Potential Event of Default"

the occurrence of an event which with the giving of notice or the lapse of time or the coming into effect of any other condition would become an Event of Default;

"Proceeds Account"

such account of the Chargor with the Chargee to which are credited the Proceeds of Book Debts;

"Proceeds of Book Debts"

proceeds of the payment or collection of the Book Debts;

"Related Insurance Policies"

the policies of insurance in which the Chargor may, at any time during the Security Period, have an interest to the extent that in any such case they relate to any of the Charged Assets;

"Related Intellectual Property"

Intellectual Property relating to the Charged Assets;

"Security Period"

the period beginning on the date of the Debenture and ending on the date on which the Chargee

certifies to the Chargor in writing that it is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full provided that if an Enforcement Event has occurred the Security Period shall end on such date as the Chargee determines;

"Winding-up"

shall include, without limitation, the administration, amalgamation, reconstruction, reorganisation, dissolution, liquidation, merger or consolidation of a person or entity and any equivalent or analogous procedure under the law of any jurisdiction (and a reference to the commencement of any of these includes, without limitation, a reference to the presentation of a petition to a court of competent jurisdiction or the passing of a resolution by the person or entity for, or with a view to, any of them).

SCHEDULE 1

(Details of Equipment)

Description	Serial Number	Options	Location
B747-200/300	B747-2-3-SP-SLM-01	Engines - JT9D-7F, JT9D-7J, JT9D-7R4G2; Flight Director - Triple Carousel IV; Auto Pilot- Triple Channel Sperry SP21; Training Aids - Collins/Sperry FD	Gatwick Burgess Hill East
B737-700/800	B737-7-8-F-01	Engine- CFM 56-7B; Flight Director - FMCS U10.2a, CDS (PFD/ND or EFIS Map);Thrust- 22.5, 26; Autopilot - SP-300; HUD;EGPWS;TCAS; Windshear Detection; US/Metric	Gatwick Burgess Hill East
A300	<u>A300B4-200-B2K-T-01</u>	Engines-GE CF6-50C2; Flight Director - Dual Carousel IV; Auto Pilot- SFENA-DUAL	Gatwick Burgess Hill East
B727-200	B727-200ADV-SLM-01	Engines - JT8D-15MODA; Auto Pilot- Sperry 150 ADV; Training Aids - Collins Sperry	Gatwick Burgess Hill East
A320	A320-200-C-02	Engines - V2527-A5, CFM-56-5B4	Gatwick Burgess Hill West
B757/767	B757-767-C-02	Engines - RB211-535E4, GE CF6- 80C2B7F, PW 4060; Other - CAA/FAA Aural, TCAS V7.0;EFIS; EICAS;GPWS; Weather Radar; 757 CAA-UK- Level CG; 767 CAA-UK- Level CG	Gatwick Burgess Hill West
B737-700/800	B737-7-8-T-08	Engine- CFM56-7B; Thrust- 20, 26; Autopilot - SP-300; Training Aids - TCAS V7.0; EGPWS;TCAS; Windshear Detection	London Luton Training Centre
B757-200	B757-200-C-02	Engines - RB211-535E4; Flight Director - EFIS; Auto Pilot- Collins-108; Other - CAA/FAA Aural, TCAS V6.4;TCAS; EFIS; EICAS;GPWS; Wx Radar	London Luton Training Centre
737-300/-800 DT	Unknown	Unknown	London Luton Training Centre
A330/340	A330-340-C-01	Engines - A330: RR 772B-60, GE CF6- 80E1A4, PW 4168A A340: CFM56-5C4; Training Aids - Windshear; TCAS; EGPWS; Weather Radar CAA-UK- Level C;	Manchester Training Centre

COMPANY NAME: Alteon Training UK Limited
COMPANY NO: 3802219
CONTINUATION SHEET 9:

A320	A320-200-T01	Engines - V2527-A5, CFM-56-5B4; Flight Director - Sextant Full CDs; Auto Pilot- Unknown; Training Aids - TCAS, Wx Radar, ACARS Airbus 1.0	Manchester Training Centre
B757/767	B757-767-C-03	TCAS Weather Rader EGPWS	Manchester Training Centre
A320	Unknown	Unknown	Manchester Training Centre

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03802219

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 30th OCTOBER 2003 AND CREATED BY ALTEON TRAINING UK LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND FLIGHT SAFETY BOEING TRAINING INTERNATIONAL LLC (NOW KNOWN AS ALTEON TRAINING LLC) TO BH FINANCE LLC UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 7th NOVEMBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12th NOVEMBER 2003.

pw



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —