

M

COMPANIES FORM No. 395

Alcn^o 004001071213

Particulars of a mortgage or charge

395

A fee of £13 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

Name of company

* Walker Aviation Leasing (UK) Limited (the "**Mortgagor**")

Date of creation of the charge

14 December 2006

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

The aircraft mortgage (the "**Mortgage**") dated 14 December 2006 between the Mortgagor and WestLB AG (the "**Security Trustee**") in respect of one (1) Bombardier Q400 Aircraft with manufacturer's serial number 4079 (the "**Aircraft**")

Amount secured by the mortgage or charge

The Secured Obligations

Please see attached Schedule 1 for definitions

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

WestLB AG, Woolgate Exchange, 25 Basinghall Street, London, England

Postcode EC2V 5HA

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

Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

For official Use (06/2005)
Mortgage Section

(Post room



LD3
COMPANIES HOUSE

413
21/12/2006

Time critical reference

SCXR/70-40107721/CSC

Short particulars of all the property mortgaged or charged

As a continuing security for the payment and discharge of the Secured Obligations, the Mortgagor with full title guarantee has mortgaged to the Security Trustee as security trustee for the Beneficiaries all its interest, present and future, in and to the Aircraft and all the Aircraft Documents.

FURTHER ASSURANCE

Mortgage contains a covenant for further assurance

NEGATIVE PLEDGE

Mortgage contains a covenant for a negative pledge.

Please see attached Schedule 1 for definitions

Please do not
write in
this margin

**Please complete
legibly, preferably
in black type, or
bold block
lettering**

Particulars as to commission allowance or discount (note 3)

N/A

Signed

Clifford Chance LLP

Date

²¹
~~20~~ December 2006

On behalf of ~~XXXXXX~~ (mortgagee/~~XXXXXX~~) †

A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

Schedule

DEFINITIONS

In this Form 395:

"Agent" means WestLB AG, a banking institution existing under the laws of Germany acting through its office at Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA, England as agent for the Lenders;

"Aircraft Documents" means the documents, data and records identified in Schedule 1 of the Lease and any other documents and records referred to in clause 7.9 (*Records*) of the Lease, and all additions, renewals, revisions and replacements from time to time made to any of the foregoing in accordance with the Lease;

"Airframe" means the Aircraft, excluding the Engines and the Aircraft Documents;

"Assignment of Insurances" means the assignment of the benefit of the Aircraft's hull and hull war risks Insurances dated on or about the date of the Senior Facility Agreement between the Lessee and the Security Trustee and any notices and acknowledgements required thereunder;

"Beneficiaries" means all or, as the case may be, any of the Senior Lenders, the Agent, the Security Trustee, the Junior Agent and the Junior Lender;

"Borrower" means Walker Aviation Leasing (UK) Limited;

"Drawdown Date" means the Business Day on which the Facility is drawn down pursuant to Senior Facility Agreement;

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, statutory or other right in rem, hypothecation, assignment, security interest, lease, option, title retention, preferential right or trust or any encumbrance of any kind having the effect of securing any obligation of any person or preferring any creditor (including rights of set-off, reciprocal fee arrangements and defeasance) and any rights of forfeiture, confiscation or detention;

"Engine" means, whether or not from time to time installed on the Aircraft:

- (a) the engines furnished with the Aircraft on the Delivery Date, details of which are set out in Schedule 1 (*Description of the Aircraft*) of the Mortgage; or

(b) any engine which has replaced any of those engines in accordance with the Senior Facility Agreement and the Lease, title to which has passed to the Mortgagor,

and in each case includes all modules and Parts from time to time belonging to or installed in that engine but excludes any engine properly replaced in accordance with the Senior Facility Agreement and the Lease which has been released from the Mortgage;

"Facility" means the principal amount drawn down by the Borrower under Senior Facility Agreement on the Drawdown Date or, as the context may require, the balance thereof from time to time outstanding after the deduction of all repayments and prepayments;

"Fee Letter" means the letter agreement from the Agent to the Borrower setting out certain fees, costs and expenses payable under clause 19 (*Fees*) of Senior Facility Agreement;

"Finance Parties" means together, the Senior Lenders, the Agent and the Security Trustee;

"Guarantee" means the guarantee dated on or about the date of Senior Facility Agreement and made by the Guarantor in favour of the Security Trustee in respect of, among other things, the Outstanding Indebtedness;

"Guarantor" means Flybe Group Limited, a company incorporated in England and Wales whose registered number is 01373432 and whose principal office is at Jack Walker House, Exeter International Airport, Exeter, Devon EX5 2HL;

"Insurances" means all policies and contracts of insurance and reinsurance which are from time to time taken out or entered into in accordance with the provisions of the Senior Facility Agreement and/or the Lease;

"Inter-Creditor Deed" means the inter-creditor deed dated on or about the date of Senior Facility Agreement and entered into or to be entered into by, inter alios, the Borrower, the Security Trustee and the Junior Lender with regard to, *inter alia*, the subordination of the rights of the Junior Lender to those of the Senior Lenders in respect of the Aircraft;

"Junior Agent" means Bombardier Capital Inc. a corporation organised and existing under the laws of the Commonwealth of Massachusetts whose principal office is 261 Mountain View Drive, PO Box 991, Colchester, VT05446, U.S.A.;

"Junior Facility Agreement" means the junior facility agreement dated 11 December 2006 between the Junior Agent, Junior Lender, the Borrower and the Security Trustee;

"Junior Lender" means Bombardier Capital Inc. a corporation organised and existing under the laws of the Commonwealth of Massachusetts whose principal office is 261 Mountain View Drive, PO Box 991, Colchester, VT05446, U.S.A.;

"Lease" means the lease agreement in respect of the Aircraft dated on 31 July 2003 and made between the Borrower as lessor and the Lessee as lessee as amended on or about the date of Senior Facility Agreement pursuant to the Lease Amendment Agreement;

"Lease Amendment Agreement" means the agreement dated on or about the date of Senior Facility Agreement between the Borrower as lessor and the Lessee as lessee;

"Lessee" means Flybe Limited, a company organised and existing under the laws of England and Wales with its registered office at Jack Walker House, Exeter International Airport, Exeter, Devon, EX5 2HL;

"Mortgaged Property" means the property, assets and rights for the time being and from time to time mortgaged to the Security Trustee by way of security for the Secured Obligations under this Mortgage and references to Mortgaged Property include references to any part of such Mortgaged Property;

"Other Aircraft" means the Bombardier Q400 aircraft with Manufacturer's serial number 4078;

"Other Loan" means the senior facility agreement relating to the Other Aircraft between the Borrower and WestLB AG as lender, agent and security trustee;

"Outstanding Indebtedness" means the aggregate of the Facility, interest thereon and all moneys whatsoever payable to the Finance Parties under the Transaction Documents;

"Part" means, whether or not from time to time installed on the Aircraft:

- (a) any and all components, furnishings, equipment, accessories, instruments, navigational and communications equipment, modules and other items (other than a complete Engine) furnished with the Aircraft on the Delivery Date (as defined in the Lease); and
- (b) any other component, furnishing or equipment (other than a complete Engine) title to which has passed to the Mortgagor pursuant to the Lease;

but excludes any such items which have been properly replaced in accordance with the Senior Facility Agreement and the Lease and released from the Mortgage;

"Receiver" means any receiver or receiver and manager appointed by the Security Trustee hereunder or under any statutory power;

"Secured Obligations" means all moneys, liabilities and obligations which are now or at any time hereafter may be due, owing or payable by the Mortgagor, the Lessee or the Guarantor in any currency, actually or contingently, solely or jointly and/or severally with another or others, as principal or surety, on any account whatsoever to any Beneficiary or any Beneficiary (as defined in the Other Loan) pursuant to the Senior Facility Agreement, this Mortgage, any other Transaction Document, the Other Loan, the Transaction Documents (as defined in the Other Loan) or the Junior Facility Agreement, or as a consequence of any breach, non-performance, disclaimer or repudiation by the Mortgagor, the Lessee or the Guarantor (or by any liquidator, receiver, administrative receiver, administrator or any similar officer of the Mortgagor, the Lessee or the Guarantor) of any of its obligations under the Senior Facility Agreement, this Mortgage, any other Transaction Document, the Other Loan, the Transaction Documents (as defined in the Other Loan) or the Junior Facility Agreement, and references to the Secured Obligations include references to any of them;

"Security Assignment" means the assignment by way of security of the Assigned Property (as defined therein) relating to the Aircraft dated on or prior to the Drawdown Date and granted by the Borrower in favour of the Security Trustee;

"Security Period" means the period commencing on the date of the Mortgage and terminating on the date upon which all of the Secured Obligations have been unconditionally and irrevocably paid, performed and discharged in full;

“Senior Facility Agreement” means the senior facility agreement dated 11 December 2006 between the Borrower, WestLB AG, London Branch as original lender and Agent and the Security Trustee in relation to the Aircraft;

“Senior Lenders” has the meaning given to “Lenders” in the Senior Facility Agreement;

“TCP Assignment” means the assignment of rights under the Term Cost Plan (to the extent relating to the Engines) dated on or before the Drawdown Date and granted by the Lessee in favour of the Security Trustee;

“Transaction Documents” means:

- (a) Senior Facility Agreement;
- (b) Assignment of Insurances;
- (c) the Inter-Creditor Deed;
- (d) the Guarantee;
- (e) the TCP Assignment;
- (f) the Mortgage;
- (g) the Security Assignment;
- (h) the Warranty Agreement;
- (i) the Fee Letter;
- (j) the Lease and the Lease Amendment Agreement;
- (k) each Transfer Certificate;

any other document granted in favour of the Agent or the Security Trustee as security for the Outstanding Indebtedness or any part of it whether at the time the Facility is drawn down or subsequently;

any other document agreed by the Borrower and the Security Trustee or the Facility Agent to be a Transaction Document; and

any and all notices and acknowledgements to be entered into pursuant to any of the documents referred to in the preceding sub clauses of this definition;

"Transferee" means a financial institution to which a transfer of all or part of the rights and obligations of a Senior Lender under Senior Facility Agreement is made in accordance with clause 6 (*Assignments and Transfers*) of Senior Facility Agreement;

"Transfer Certificate" means a certificate substantially in the form set out in 23 (*Form of Transfer Certificate*) of Senior Facility Agreement signed by a Transferee and a Senior Lender;

"Warranty Agreement" means the assignment of the benefit of the warranties in respect of the Aircraft dated on or prior to the Drawdown Date between the Borrower and the Security Trustee and any notices and acknowledgements required thereunder.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02426112

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN AIRCRAFT MORTGAGE DATED THE 14th DECEMBER 2006 AND CREATED BY WALKER AVIATION LEASING (UK) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY, THE LESSEE OR THE GUARANTOR TO ANY BENEFICIARY ON ANY ACCOUNT WHATSOEVER 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 21st DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 29th DECEMBER 2006.

PDW



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES