

MR01

Particulars of a charge

045992/13



A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where
instrument Use form

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

Please return
via
CH London Counter

This form **must be delivered to the Registrar for registration**
21 days beginning with the day after the date of creation of the
delivered outside of the 21 days it will be rejected unless it is a
court order extending the time for delivery

You **must** enclose a certified copy of the instrument with this form This will be
scanned and placed on the public record



LD3

L28QY3RM

20/05/2013

COMPANIES HOUSE

#115

MONDAY

1 Company details

Company number 0 2 4 2 6 1 1 2

Company name in full Walker Aviation Leasing (UK) Limited

For official use
4 7
→ **Filing in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 0 3 0 5 2 0 1 3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Bank of Scotland PLC

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

Capitalised terms used and not otherwise defined in this Form MR01 are defined in the charging instrument

As a continuing security for the payment and discharge of the Secured Obligations, the Borrower with full title guarantee mortgaged to the Security Trustee as security trustee for the Finance Parties all its interest, present and future, in and to the Aircraft (as defined below) and all Aircraft Documents (as defined in the attached continuation sheet MR01 (C1))

Aircraft means

Aircraft
Manufacturer and Model Bombardier Dash 8-Q400
Manufacturer's Serial Number 4093
Registration Mark G-JEDW

Engines
Manufacturer and Model Pratt & Whitney 150A turboprop
Manufacturer's Serial Numbers PCE-FA0186 and PCE-FA0162

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

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Particulars of a charge

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Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X *Denton UKMEALLP* X

This form must be signed by a person with an interest in the charge

MR01**Particulars of a charge****Presenter information**

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name **James Marsden**

Company name
Dentons UKMEA LLP

Address
One Fleet Place

Post town
London

County/Region
London

Postcode

E	C	4	M		7	W	S
---	---	---	---	--	---	---	---

Country

DX **DX 242 LONDON/CHANCERY LANE**

Telephone **020 7320 6496**

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following

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

**Important information**

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

**How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'

**Where to send**

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

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

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

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

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

4	Description	Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security
Description	<p>Aircraft Documents means the documents, data and records identified at (a) to (aa) below and any other documents and records referred to in clause 7 8 (Records) of the Lease and all additions, renewals, revisions and replacements from time to time made to any of those documents in accordance with the Lease</p> <ul style="list-style-type: none"> (a) Airplane Operating Manual (b) Powerplant Build-up Manual (c) Airport Planning Manual (d) Crash-Fire-Rescue Manual (e) Master Minimum Equipment list (f) Maintenance Facilities and Equipment Planning Manual (g) Consumable Products Manual (h) Airplane Flight Manual (i) Quick Reference Handbook (j) Aircraft Maintenance Manual (incl PWC Maintenance) (k) Ramp Servicing Manual (l) Illustrated Tool & Equipment Manual (m) Wiring Manual (n) Structural Repair Manual (o) Aircraft Illustrated Parts Catalogue (p) Fault Isolation Manual (q) Component Maintenance Manual (r) Maintenance Requirements Manual (s) Maintenance Planning Document (t) Maintenance Task Cards Manual (u) Non-Destructive Test Manual (v) Weight and Balance Manual (w) Cargo Loading Manual (x) Aircraft Recovery Manual (y) Corrosion Prevention Manual (z) Service Bulletins (aa) Service Letters 	



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2426112

Charge code: 0242 6112 0047

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd May 2013 and created by WALKER AVIATION LEASING (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th May 2013.

OK

Given at Companies House, Cardiff on 22nd May 2013



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

Execution Text

I certify that, save for material redacted pursuant to s. 859G of the Companies Act 2006, this is a true copy of the part of the charging instrument signed by or on behalf of the charger, and attaches a true copy of the signature page to each other part of such charging instrument.

Dated 10 May 2013

Signed Denson UKMEA LLP

Name

Denson UKMEA LLP

Dated

3 May

2013

WALKER AVIATION LEASING (UK) LIMITED (1)

as Mortgagor

and

BANK OF SCOTLAND PLC

as Mortgagee

(2)

AIRCRAFT MORTGAGE
in relation to the refinancing of one
Bombardier Dash 8-Q400 Aircraft MSN 4093
and Current Registration Mark G-JEDW

^NORTON ROSE

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Aircraft Mortgage dated 3 May 2013

BETWEEN

- (1) **WALKER AVIATION LEASING (UK) LIMITED**, a company incorporated under the laws of England and Wales whose registered office is at Jack Walker House, Exeter International Airport, Exeter, Devon, EX5 2HL (the Borrower); and
- (2) **BANK OF SCOTLAND PLC** (formally known as The Governor and Company of The Bank of Scotland), a financial institution organised and existing under the laws of Scotland and having its registered office at 11 Earl Grey Street, Edinburgh EH3 9BN (the Security Trustee) as security trustee for the Secured Parties

WHEREAS:

- (A) Pursuant to the Facility Agreement, the Lenders agreed, inter alia, to make a facility available to the Borrower for the purpose of re-financing the Aircraft.
- (B) As security for the obligations of the Borrower under the Facility Agreement, the Borrower is required to enter into this Mortgage.

IT IS AGREED as follows.

1 Interpretation

1.1 Facility Agreement Definitions

Capitalised terms defined in the Facility Agreement, unless otherwise defined in this Mortgage, have the same meaning in this Mortgage.

1.2 Definitions

In this Mortgage, except where the context otherwise requires, the following terms have the meanings given to them in this Clause 1.2

Aircraft means the aircraft details of which are set out in Schedule 1 (Description of the Aircraft) (which term includes, where the context admits, a separate reference to all Engines, Parts and Aircraft Documents)

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 7.8 (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

Aviation Authority means all and any of the authorities, government departments, committees or agencies which under the laws of the State of Registration of the Aircraft may from time to time

- (a) have control or supervision of civil aviation in that state, or
- (b) have jurisdiction over the registration, airworthiness or operation of, or other matters relating to the Aircraft.

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.

Enforcement Notice means a notice of acceleration issued pursuant to Clause 19.2 (Acceleration) of the Facility Agreement.

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); or
- (b) any engine which has replaced any of those engines in accordance with the Facility Agreement, title to which has passed to the Borrower and which has become subject to the Mortgage,

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 Facility Agreement which has been released from the Mortgage

Facility Agreement means the facility agreement dated 29 July 2005 between the Borrower, the Lenders, the Agent and the Security Trustee in relation to the Aircraft

Finance Document means this Mortgage, any Fee Letter, any Security Document (as defined in the Facility Agreement but excluding the First Loss Deficiency Guarantee) and any other document designated as such by the Agent and the Borrower

Finance Parties means together the Agent, the Security Trustee and the Lenders (as defined in the Facility Agreement)

Lease means the lease agreement in respect of the Aircraft dated 8 September 2005 made between the Borrower as lessor and the Lessee

Lessee means Jersey European Airways (UK) Limited, a company organised and existing under the laws of England with its registered office at Jack Walker House, Exeter International Airport, Exeter, Devon, EX5 2HL

Losses means any losses, costs, charges, expenses, interest, fees, payments, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, adverse judgments, orders or other sanctions

Mortgaged Property means the property, assets and rights for the time being and from time to time comprised in or subject to this Mortgage, and references to Mortgaged Property include references to any part of such Mortgaged Property

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 Borrower pursuant to the Lease,

but excludes any such items which have been properly replaced in accordance with the Facility Agreement 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 Borrower in any currency, actually or contingently, solely or jointly and/or severally with another or others, as principal or surety, on any account whatsoever pursuant to the Facility Agreement, this Mortgage or any other Finance Document, or as a consequence of any breach, non-performance, disclaimer or repudiation by the Borrower (or by any liquidator, receiver, administrative receiver, administrator or any similar officer of the Borrower) of any of its obligations under the Facility Agreement, this Mortgage or any other Finance Document, and (except as expressly otherwise provided) references to the Secured Obligations include references to any of them

Security Period means the period commencing on the date of this Mortgage and ending on the date on which all of the Secured Obligations under the Finance Documents have been unconditionally and irrevocably paid, performed and discharged in full

- 1.3 **Construction:** Except where the context otherwise requires, any references in this Mortgage to

- 1.3.1 persons includes individuals, bodies corporate (wherever incorporated), governments, states or agencies of a state, unincorporated associations and partnerships (whether or not having a separate legal personality),
- 1.3.2 headings are inserted for convenience only and do not affect the construction of this Mortgage;
- 1.3.3 unless specified otherwise, Clauses and Schedules are to Clauses of and the schedule to this Mortgage;
- 1.3.4 one gender includes all genders,
- 1.3.5 the Borrower and the Security Trustee include references to the persons deriving title under or through them respectively;
- 1.3.6 an enactment or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted,
- 1.3.7 any agreement or document, including the Facility Agreement and this Mortgage, shall be deemed also to refer to such agreement or document as from time to time amended, varied, supplemented, novated or replaced (in accordance with the Facility Agreement or this Mortgage),
- 1.3.8 any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors or of security shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors or of security available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of judicial proceeding described or referred to in this Mortgage; and
- 1.3.9 law and relevant law shall include references to any provision of the laws of any jurisdiction which may from time to time be applicable.
- 1.4 **Conflict:** In the event of a conflict between the terms of this Mortgage and the terms of the Facility Agreement this Mortgage will prevail

2 Covenant to Pay

The Borrower hereby covenants to pay and discharge all of the Secured Obligations promptly and acknowledges to the Security Trustee that the amount secured by this Mortgage and in respect of which this Mortgage and the security hereby created is enforceable is the full amount of the Secured Obligations and the Borrower hereby covenants with the Security Trustee that the property hereby mortgaged is so mortgaged for the full payment, performance and discharge of the Secured Obligations.

3 Mortgage

- 3.1 **Mortgage:** As a continuing security for the payment and discharge of the Secured Obligations, the Borrower with full title guarantee mortgages to the Security Trustee as security trustee for the Finance Parties all its interest, present and future, in and to
- 3.1.1 the Aircraft; and
- 3.1.2 all Aircraft Documents.
- 3.2 **Replacement of Engines and Parts:** The Borrower may permit the Lessee to remove or replace any Engine or any Part from the Aircraft subject to and in accordance with the provisions of the Lease, and, upon title to any substitute Engine or Part being vested in the Borrower in accordance with the provisions of the Lease:
- 3.2.1 such substitute Engine or Part shall thereupon become subject to this Mortgage, and
- 3.2.2 the Engine or Part which shall have been replaced by such substitution shall cease to be subject to this Mortgage
- 3.3 **Nature of Encumbrances:** The parties hereto intend that this Mortgage shall create and constitute an effective first-ranking Encumbrance over all the Mortgaged Property wheresoever the same may be situate, and under and so far as effective under all applicable laws

4 Representations and Warranties

The Borrower represents and warrants to the Security Trustee that:

- 4.1 the Borrower has the power to enter into, deliver and perform and has taken all necessary action to authorise its entry into, delivery and performance of this Mortgage,
- 4.2 no governmental authorisations are required in connection with the Borrower's entry into, delivery or performance of this Mortgage;
- 4.3 the Borrower is absolutely entitled to all of the Mortgaged Property at the date of this Mortgage;
- 4.4 the Borrower has not assigned, charged, pledged or otherwise encumbered or disposed of any of the Mortgaged Property, and the Mortgaged Property is free from all Encumbrances except for this Mortgage and Permitted Liens, and
- 4.5 at the time at which this Mortgage is created, all of the Mortgaged Property is located in England and the Engines are installed on the Airframe,

5 Covenants by Borrower

- 5.1 Continuing Covenants:** The Borrower hereby covenants and undertakes throughout the Security Period (but subject to and without prejudice to the provisions of the Facility Agreement and the other Finance Documents).
- 5.1.1** to take all steps reasonably required by the Security Trustee to preserve or protect the Borrower's interest and the interest of the Security Trustee in the Mortgaged Property;
- 5.1.2** to furnish to the Security Trustee from time to time such information and reports regarding the Mortgaged Property as the Security Trustee may reasonably request and upon request of the Security Trustee make to the Lessee such demands and requests for information and reports or for action as the Borrower is entitled to make in relation to the Mortgaged Property,
- 5.1.3** to the extent necessary to perform the Secured Obligations, upon the occurrence of an Event of Default to promptly deliver all cash, proceeds, cheques, drafts, orders and other instruments for the payment of money received on account of any Mortgaged Property in the form received (properly endorsed, but without recourse, for collection where required) to the Security Trustee and not to commingle any such collections or proceeds with its other funds or property, and to hold the same upon an express trust for and on behalf of the Security Trustee until delivered,
- 5.1.4** to do or permit to be done each and every act or thing which the Security Trustee may from time to time reasonably require to be done for the purpose of enforcing the Security Trustee's rights granted pursuant to this Mortgage under any of the Mortgaged Property and this Mortgage, and
- 5.1.5** promptly to deliver to the Security Trustee a copy of any material notice issued by the Borrower or received by the Borrower to or from the Lessee or any other person in connection with the Mortgaged Property.
- 5.2 No Sale or Encumbrance of Mortgaged Property** The Borrower covenants and undertakes that throughout the Security Period it shall not without the prior written consent of the Security Trustee (but subject to and without prejudice to the provisions of the Facility Agreement and the other Finance Documents) sell, assign, transfer or otherwise dispose of any of the Mortgaged Property or create or suffer to exist any Encumbrance upon or with respect to any of the Mortgaged Property except for this Mortgage and Permitted Liens

6 Perfection of Security and Further Assurances

- 6.1 Filings:** The parties will each procure that, and the Borrower shall bear any expenses in relation thereto, any registrations, filings and/or submissions in relation to the Aircraft required or generally made under the laws of any jurisdiction to the extent that the provisions of such laws apply to the Aircraft. The parties will coordinate and cooperate with one another in providing

such information and all reasonable assistance to the other as may be requested in connection with any such registrations, filings and/or submissions

- 6.2 Further Assurances:** The Borrower shall, at its own cost and expense and at the request of the Security Trustee, promptly sign, seal, execute, deliver, acknowledge, file, register and perfect all such assurances, documents, instruments, agreements, certificates and consents and do any and all such acts and things as may be reasonably necessary or as the Security Trustee may reasonably request from time to time in order to perfect the security interest intended to be created by this Mortgage or to establish, maintain, protect or preserve such security interest or the rights of the Security Trustee under this Mortgage or to enable the Security Trustee to obtain the full benefits of such security interest and this Mortgage and to exercise and enforce its rights and remedies under this Mortgage in respect of the Mortgaged Property
- 6.3 Change of State of Registration:** Without prejudice to the generality of Clause 6 1, (Filings) and Clause 6 2 (Further Assurances) the Borrower shall upon the request of the Security Trustee upon a change of the State of Registration, execute in favour of the Security Trustee an aircraft mortgage and/or a power of attorney and/or any other security document (each in such form as the Security Trustee may request) in relation to the Aircraft and the Aircraft Documents for the purpose of preserving and perfecting the security intended to be created hereby

7 Continuing Security

- 7.1 Continuing Security:** Without prejudice to the generality of Clause 2 (Covenant to Pay), the mortgage contained in this Mortgage is made for securing further advances. This Mortgage and the security hereby created shall be a continuing security and in particular (without limitation) 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 Borrower (or any other person) and the Security Trustee or any other Finance Parties (or any of them) or any other act, event or matter whatsoever, except only the execution by the Security Trustee under seal of an absolute and unconditional release of the security created by this Mortgage to the Borrower (or such other person as the Borrower may direct), and this Mortgage shall extend to cover any sum or sums of money or other liability and obligations which shall for the time being constitute the balance of the Secured Obligations until all of the Secured Obligations have been paid and discharged in full
- 7.2 Additional Security:** This Mortgage 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 Borrower or otherwise) now or from time to time hereafter held by the Security Trustee or any other Finance Party in respect of or in connection with any or all of the Secured Obligations
- 7 3 s93 (Restriction on consolidation of mortgages) Law of Property Act 1925 (and any other relevant statutory provision of similar effect) shall not apply**

- 7.4 Exercise of Rights** The Security Trustee shall not be obliged, before exercising any of the rights, powers or remedies conferred upon it by this Mortgage or by law, to
- 7.4.1** issue or initiate any proceedings or take action or obtain judgement against the Borrower or any other person in any court or otherwise,
- 7.4.2** make or file a claim or proof in a winding-up, liquidation, bankruptcy, insolvency, dissolution, reorganization or amalgamation of, or other analogous event of or with respect to, the Borrower or of any other person; or
- 7.4.3** enforce or seek to enforce the payment or performance of, or the recovery of, any of the moneys, obligations and liabilities hereby secured or any other security, guarantee or other assurance for all or any of the Secured Obligations
- 7.5 Security not Discharged** Notwithstanding that, as between the Borrower and any other person, the Borrower may be only a surety for the Secured Obligations and the Mortgaged Property may only be a secondary or collateral security, nonetheless, as between the Borrower and the Security Trustee, the Borrower shall be deemed to be a principal debtor and the Mortgaged Property shall be deemed to be a principal security for the Secured Obligations and, without prejudice to the foregoing. The security created by this Mortgage shall continue in full force and effect and shall not be discharged, impaired or otherwise affected by
- 7.5.1** any failure by the Security Trustee or any other person to take or enforce any other security, guarantee or other assurance taken or agreed to be taken or given for all or any of the Secured Obligations or under or pursuant to any Finance Document or otherwise, or
- 7.5.2** any time or indulgence given or agreed to be given by the Security Trustee or any other person or any failure or delay by the Security Trustee or any other person in exercising any right, remedy, power or privilege under this Mortgage or under any Finance Document or any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder; or
- 7.5.3** any amendment, modification, variation, supplement, novation, restatement or replacement of all or any part of the Secured Obligations or any Finance Document; or
- 7.5.4** any release or exchange of any security, guarantee or other assurance now or hereafter held by or enuring to the benefit of the Security Trustee or any other person for all or any part of the Secured Obligations, or
- 7.5.5** any other act, omission, fact, matter, circumstance, event or thing (including, without limitation, the invalidity, unenforceability or illegality of any of the obligations of the Borrower or any Finance Document, or the bankruptcy, liquidation, winding-up, insolvency, dissolution, administration, reorganisation or amalgamation of, or other analogous event of or with respect to, the Borrower or any other person) which, but for this provision, might operate to impair,

discharge or adversely affect the rights of the Security Trustee or any other person under this Mortgage or under any other Finance Document or to impair, discharge or adversely affect the security hereby created

The Borrower further covenants with the Security Trustee that if, by reason of any moneys or liabilities expressed or intended to be guaranteed to the Security Trustee by the Borrower not being legally recoverable from such third party or for any other reason whatsoever, such moneys or liabilities (or any part of them) would not be recoverable from the Borrower as a surety, then (notwithstanding that that was known to the Security Trustee) they shall be fully recoverable from the Borrower and the Borrower will pay or discharge them to the Security Trustee upon demand

7.6 Conditional Discharge Any settlement or discharge between the Security Trustee and the Borrower and/or any other person shall be conditional upon no security or payment to the Security Trustee or any of the other Finance Parties by the Borrower or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, liquidation, winding-up, insolvency, dissolution, reorganisation, administration, amalgamation or other analogous event or proceedings for the time being in force.

7.7 Release: Upon irrevocable and unconditional discharge in full of the Secured Obligations, the Security Trustee shall, at the request and cost of the Borrower, transfer and deliver to the Borrower, execute and file a release of this Mortgage with the registrar at Companies House and carry out such further action as may be reasonably requested of it to release this Mortgage.

8 Security Trustee

8.1 Security Trustee: The Security Trustee shall hold title to the property mortgaged pursuant to this Mortgage as trustee on behalf of itself and the Finance Parties.

8.2 Nature of Rights: The Security Trustee shall be entitled and authorised to exercise all such rights, powers, authorities and discretions in relation to the Mortgaged Property as if the Security Trustee were solely beneficially entitled thereto (including, without limitation, the grant of an indemnity to any person or persons appointed as a Receiver).

8.3 Perpetuity Period: The perpetuity period under the rule against perpetuities (if applicable hereto) shall be the period of eighty years from the date hereof.

9 Enforcement of Security

9.1 Time of Enforcement: The Secured Obligations shall become due for the purposes of this Mortgage and of s101 (Powers incident to estate or interest of mortgage) Law of Property Act

1925 (or any other relevant statutory provision of similar effect) upon the issuance by the Security Trustee of an Enforcement Notice

9.2 Powers of Security Trustee Without prejudice to any of its other rights whether conferred under any of the Finance Documents or by law generally, immediately upon the Secured Obligations becoming due and at any time afterwards the Security Trustee shall be entitled

9.2.1 to apply to any authority in the country in which the Mortgaged Property or any part thereof is located for an enforcement and attachment order in respect of the Mortgaged Property or any such part thereof;

9.2.2 to apply to any court of competent authority for an order for foreclosure absolute so as to vest all the Borrower's right, title and interest in the Mortgaged Property in the Security Trustee as security trustee for itself and the Finance Parties,

9.2.3 to take possession of the Mortgaged Property and for that purpose to enter upon any premises where the Mortgaged Property may be located;

9.2.4 to sell, call in, collect and convert into money the Mortgaged Property by public or private contract at any place in the world, with or without advertisement or notice to the Borrower or any other person in relation to any private contract, with all such powers in that respect as are conferred by law; and.

(a) by way of extension thereof, such sale, calling in, collection and conversion may be made for such consideration as the Security Trustee in its sole and absolute discretion shall deem reasonable (whether the same shall consist of cash or shares or debentures in some other company or companies or other property of whatsoever nature or partly of one and partly of some other species of consideration, and whether such consideration shall be presently payable or by instalments or at some future date, and whether such deferred or further payments shall be secured or not) in all other respects in such manner as the Security Trustee shall in its sole and absolute discretion think fit and without being liable to account for any loss of or deficiency in such consideration,

(b) s103 (Regulations on exercise of power of sale) Law of Property Act 1925 shall not apply to this Mortgage or to the power of sale, calling in, collection or conversion hereinbefore contained, and

(c) for the purposes of this Clause 9.2, the Security Trustee may (in its sole and absolute discretion) by notice appoint the Borrower or any other person its non-exclusive agent to sell the Mortgaged Property on terms satisfactory to the Security Trustee,

9.2.5 to repair and keep in repair the Mortgaged Property;

- 9.2.6 to insure the Mortgaged Property against loss or damage in such sums and for such risks as the Security Trustee shall in its sole and absolute discretion think fit;
- 9.2.7 to lease or charter the Aircraft for such terms, at such rents and generally in such manner and upon such conditions and stipulations as the Security Trustee in its sole and absolute discretion think fit;
- 9.2.8 to settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the Mortgaged Property or in any way relating to this Mortgage and execute releases or other discharges in relation thereto,
- 9.2.9 to bring, take, defend, compromise, submit to arbitration or discontinue any actions, suits or proceedings whatsoever, civil or criminal, in relation to the Mortgaged Property;
- 9.2.10 to execute and do all such acts, deeds and things as the Security Trustee may in its sole and absolute discretion consider necessary or proper for or in relation to any of the purposes aforesaid, and
- 9.2.11 to appoint a Receiver of all or any part of the Mortgaged Property upon such terms as to remuneration and otherwise as the Security Trustee shall deem fit; and the Security Trustee may from time to time remove any Receiver so appointed and appoint another in his place, and to fix (at or after the time of his appointment) the remuneration of any such Receiver. A Receiver so appointed shall be the agent of the Borrower and the Borrower shall be liable for such Receiver's actions and defaults to the exclusion of liability on the part of the Security Trustee. Nothing herein contained shall render the Security Trustee liable to any such Receiver for his remuneration, costs, charges or expenses or otherwise.
- 9.3 **Law of Property Act 1925** Sections 109(6) and 109(8) (Appointment, powers, remuneration and duties of receiver) Law of Property Act 1925 shall not apply in relation to any Receiver appointed under Clause 9.2 (Powers of Security Trustee).
- 9.4 **Other Powers:** Notwithstanding any other provision of this Mortgage and without limiting, and as an addition to, the powers conferred upon the Security Trustee (and any Receiver appointed pursuant to Clause 9.2 (Powers of Security Trustee)) by the laws of England or of any other jurisdiction, the Security Trustee or the Receiver (as the case may be) may, at any time after the issuance of an Enforcement Notice, exercise against or in respect of the Borrower and/or the Mortgaged Property any of the rights, powers, privileges or discretions conferred from time to time by any applicable law, domestic or foreign.

10 Delegation by Security Trustee

The Security Trustee shall be entitled at any time and as often as it may deem expedient to delegate all or any of the powers, rights, remedies and discretions vested in it by or in

connection with this Mortgage in such manner, upon such terms and to such persons as the Security Trustee in its absolute discretion may think fit.

11 Powers of Receiver

- 11 1 Powers of Receiver:** Any Receiver appointed under Clause 9.2 (Powers of Security Trustee) shall have all the powers conferred on a receiver by law (save that s103 (Regulations on exercise of power of sale) Law of Property Act 1925 or any other relevant statutory provision of similar effect shall not apply) and, by way of addition to (but without limiting) those powers
- 11 1 1** the Receiver shall have all the powers given to the Security Trustee hereunder of taking possession of, calling in, collecting, converting into money and selling, leasing and dealing with the Mortgaged Property or any part thereof and generally shall be entitled to the same protection and to exercise the same powers and discretions as are given to the Security Trustee hereunder, and shall also have such other of the powers and discretions given to the Security Trustee hereunder as the Security Trustee may from time to time confer on him,
- 11 1.2** the remuneration of the Receiver may be fixed by the Security Trustee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise), but shall be payable by the Borrower and the amount of such remuneration may be debited by the Security Trustee from any amounts held, assigned or charged in favour of the Security Trustee pursuant to the Finance Documents but shall, in any event, be secured on the Mortgaged Property under this Mortgage;
- 11 1 3** the Receiver shall have power to make any payment and incur any expenditure which the Security Trustee is, by this Mortgage, expressly or impliedly authorised to make or incur. Any expenses incurred by the Receiver in the exercise of any of its powers hereunder may be paid or retained by him out of any moneys coming into his hands as receiver or may be paid by the Security Trustee in which case they shall be treated as expenses properly incurred by the Security Trustee;
- 11 1 4** the Receiver shall in the exercise of his powers, authorities and discretions conform with the reasonable directions from time to time made and given by the Security Trustee;
- 11 1 5** the Security Trustee may at any time require security to be given for the due performance of the Receiver's duties as receiver at the cost of the Borrower; and
- 11.1.6** the Security Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as receiver
- 11 2 No Liability as Mortgagee in Possession.** Neither the Security Trustee nor the Receiver shall be liable to account as a mortgagee in possession of the Mortgaged Property and neither the Security Trustee nor any Receiver shall be liable for any loss arising from or in connection with

the realisation of the Mortgaged Property or otherwise for any act, neglect, default or omission for which a mortgagee in possession might be liable as such, and if and whenever the Security Trustee enters into possession of the Mortgaged Property, it shall be entitled at any time thereafter which it thinks fit to go out of such possession

- 11 3 **Other Powers of Receiver:** The foregoing powers of a Receiver shall be in addition to any statutory or other powers of the Security Trustee under the Law of Property Act 1925 and of a receiver under the Insolvency Act 1986 and the Receiver shall, in any event, have and be entitled to exercise all the rights, powers and remedies conferred upon the Security Trustee by this Mortgage and by law with respect to the Mortgaged Property.

12 Protection of Third Parties

- 12 1 **Protection of Third Parties:** No persons dealing with the Security Trustee or any Receiver shall be concerned to enquire whether an Event of Default has occurred or whether the powers which the Security Trustee or such Receiver is purporting to exercise have become exercisable or whether any money remains due on the security of this Mortgage or otherwise as to the propriety, validity or regularity of any sale or other dealing (or exercise of such power) by the Security Trustee or such Receiver with the Mortgaged Property, and all the protections to purchasers conferred by law shall apply to such persons dealing with the Security Trustee or such Receiver

- 12.2 **Receipts:** The receipt of the Security Trustee or such Receiver for the purchase moneys shall absolutely and conclusively discharge the purchaser who shall not be concerned with the manner of application of the same or be in any way answerable therefor.

- 12 3 **Meaning of Purchaser:** In Clause 12.1 (Protection of Third Parties) and Clause 12.2 (Receipts), purchaser includes any person acquiring, for money or money's worth, any lease of, or Encumbrance over, or any other interest or right whatsoever in relation to the Mortgaged Property.

13 Power Of Attorney

- 13.1 **Power of Attorney:** The Borrower hereby for value and by way of security to secure the interest of the Security Trustee in the Mortgaged Property and the full and punctual payment and performance of the Secured Obligations irrevocably appoints the Security Trustee and every Receiver, and any person nominated for such purpose by the Security Trustee in writing under hand by an officer of the Security Trustee, severally as attorney and agent of the Borrower for the Borrower and in its name and on its behalf and as its act and Mortgage to execute, seal and deliver (using the company seal of the Borrower where appropriate) and otherwise perfect and do any charge, mortgage, assurance, agreement, conveyance, instrument, act or thing which the Borrower has failed to execute and do under the covenants, undertakings and provisions

contained herein or in any Finance Document or which may be required or deemed proper in the exercise of any rights or powers hereunder or otherwise for any of the purposes of the security created hereby provided that this power of attorney shall not be exercised until the occurrence of an Event of Default.

13.2 No Obligation to Exercise Power The Security Trustee shall not have any obligation to exercise any of the powers hereby conferred upon it or to make any demand or enquiry as to the nature or sufficiency of any payment received by it with respect to the Mortgaged Property. No action taken by or omitted to be taken by the Security Trustee in the proper exercise of the power conferred on it pursuant to Clause 13.1 (Power of Attorney) shall give rise to any defence, counterclaim or set-off in favour of the Borrower or otherwise affect any of the Secured Obligations.

13.3 Ratification The power hereby conferred shall be a general power of attorney under the Powers of Attorney Act 1971 and the Borrower covenants with the Security Trustee to ratify and confirm any deed, assurance, agreement, instrument, act or thing executed, made or done by such attorney or agent in exercising such power.

14 Application of Proceeds

All proceeds of any enforcement of this Mortgage (whether pursuant to Clause 9.2 (Powers of Security Trustee) or otherwise) shall be applied by the Security Trustee in or towards discharge of the Secured Obligations in accordance with the provisions of the Facility Agreement.

15 Successors in Title

15.1 This Mortgage shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and assigns.

15.2 The Borrower shall not be entitled to assign or transfer any of its rights, benefits or obligations hereunder without the prior written consent of the Security Trustee

15.3 The Security Trustee may (where no Event of Default has occurred only, with the consent of the Borrower, such consent not to be unreasonably withheld) assign or transfer all or any part of its rights, benefits or obligations under this Mortgage to any person. Where the Security Trustee assigns or transfers its obligations or any part thereof in accordance with the terms of this Clause 15.3, the Borrower shall execute such documents as the Security Trustee may specify to release the Security Trustee to the extent of the transfer or with a view to perfecting such Mortgage or transfer, or where necessary, shall execute further security documentation in favour of the assignee or transferee in such form as is required or advisable to give effect to this Mortgage.

16 Notices

16.1 Communications in writing. Any communication to be made under or in connection with this Mortgage shall be made in writing and, unless otherwise stated, may be made by fax or letter

16.2 Addresses. The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Mortgage is:

(a) In the case of the Borrower,

Flybe Limited
Jack Walker House
Exeter Airport
Exeter
Devon EX5

Attention: Company Secretary

Facsimile: +44 1392 266 772

(b) In the case of the Security Trustee,

Bank of Scotland PLC
c/o Bank of Scotland Corporate Banking
PO Box 39900
Level 7
155 Bishopsgate
London EC2M 37B

Attention: Alistair Monk

Facsimile: +44 2071 583 590

or any substitute address or fax number or department or officer as a party may notify to the other party to this Mortgage by not less than five Business Days' notice.

16.3 Delivery

16.3.1 Any communication or document made or delivered by one person to another under or in connection with this Mortgage will only be effective:

(a) in the case of a fax, at the time of despatch with confirmed transmission report stating the correct facsimile number and number of pages sent and that such transmission is "OK" or equivalent (provided always that if the time of despatch is not within normal business

hours on a business day in the country of the addressee it shall be deemed to have been received at the opening of business on the next business day); or

- (b) in the case of a letter when delivered personally or three Business Days after it has been put in the post,

and, if a particular department or officer is specified as part of its address details provided under Clause 16.2 (Addresses), if addressed to that department or officer

16.4 English language

16.4.1 Any notice given under or in connection with this Mortgage must be in English.

16.4.2 All other documents provided under or in connection with this Mortgage must be

- (a) in English; or

- (b) if not in English, and if so required by the Security Trustee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

17 Partial Invalidity

If, at any time, any provision of this Mortgage is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

18 Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy under this Mortgage shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Mortgage are cumulative and not exclusive of any rights or remedies provided by law.

19 Amendments

19.1 No variation of this Mortgage shall be valid unless it is in writing and signed by or on behalf of the parties to this Mortgage

19.2 Unless expressly agreed, no variation shall constitute a general waiver of any provisions of this Mortgage, nor shall it affect any rights, obligations or liabilities under or pursuant to this Mortgage which have already accrued up to the date of variation, and the rights and obligations

of the parties under or pursuant to this Mortgage shall remain in full force and effect, except and only to the extent that they are so varied.

20 Counterparts

This Mortgage may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Mortgage.

21 Third party rights:

A person who is not a party to this Mortgage, may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**)

22 Governing Law

This Mortgage and any non-contractual obligations connected with it are governed by English law.

23 Enforcement

23 1 Jurisdiction

23.1.1 For the benefit of the Security Trustee, the Borrower agrees that the courts of England are (subject to paragraph 23.1.3) to have exclusive jurisdiction to settle any dispute arising out of or in connection with this Mortgage (including a dispute regarding the existence, validity or termination of this Mortgage and claims for set-off and counterclaim) (a **Dispute**) and for such purposes the Borrower irrevocably submits to the jurisdiction of the English courts.

23 1 2 The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary

23.1.3 This Clause 23 1 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction and the Borrower irrevocably submits to the jurisdiction of any such court. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

23 1 4 A judgment or order in connection with this Mortgage of any court referred to in this Clause 23.1 is conclusive and binding on the Borrower and may be enforced against it in the courts of any other jurisdiction

23.2 **Service of process:** The Borrower irrevocably consents to service of process or any other documents in connection with proceedings in any court by facsimile transmission, personal service, delivery at any address specified in this Mortgage or any other usual address, mail or in

any other manner permitted by English law, the law of the place of service or the law of the jurisdiction where proceedings are instituted

IN WITNESS whereof the parties hereto have caused this Mortgage to be executed as a Deed and it is intended to be and is hereby delivered the day and year first above written.

Signature Page

AIRCRAFT MORTGAGE MSN 4093

EXECUTED as a DEED)
by *Mark Utown*)
as ~~attorney for~~ *Director of*)
WALKER AVIATION)
LEASING (UK) LIMITED a company)
Incorporated in England and Wales)
being a person who, in accordance)
with the laws of that territory, is acting)
under the authority of the company)
in the presence of)



Name *Rob Flavell*
Title *Fleet Planning Analyst*

SIGNED)
by)
as an attorney for BANK OF)
SCOTLAND PLC)
in the presence of)

Name.

Title:

Signature Page


AIRCRAFT MORTGAGE MSN 4093

EXECUTED as a DEED)
by)
as attorney for)
WALKER AVIATION)
LEASING (UK) LIMITED a company)
incorporated in England and Wales)
being a person who, in accordance)
with the laws of that territory, is acting)
under the authority of the company)
in the presence of)

Name:

Title

SIGNED)
by)
as an attorney for **BANK OF**)
SCOTLAND PLC)
in the presence of)

A large black rectangular redaction box covering the signature of the attorney for Bank of Scotland PLC.

Name **BRIAN CROTTY**

Title **ASSOCIATE DIRECTOR**

Schedule 1
Description of the Aircraft

Aircraft

Manufacturer and Model **Bombardier Dash 8-Q400**

Manufacturer's Serial Number: **4093**

Registration Mark: **G-JEDW**

Engines

Manufacturer and Model **Pratt & Whitney 150A turboprop**

Manufacturer's Serial Numbers. **PCE-FA0186 and PCE-FA0162**