

Paperwork Reduction Act Statement: The information collected on this form is necessary to maintain aircraft registration. We estimate that it will take approximately 30 minutes to complete the form. Please note that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. **Form Approved, OMB No. 2120-0729** "Comments concerning the accuracy of this burden and suggestions for reducing the burden should be directed to the FAA at: 800 Independence Avenue SW, Washington, DC 20591. ATTN: Information Collection Clearance Officer, AES-200."

DEPARTMENT OF TRANSPORTATION - FEDERAL AVIATION ADMINISTRATION AIRCRAFT REGISTRATION RENEWAL APPLICATION		<i>FAILURE TO RENEW REGISTRATION WILL RESULT IN CANCELLATION OF REGISTRATION AND REGISTRATION NUMBER ASSIGNMENT (See 14 C.F.R. §§ 47.15(i), 47.40 and 47.41)</i>	
AIRCRAFT REGISTRATION NUMBER N 18MD		SERIAL NUMBER TE-455	
MANUFACTURER BEECH		MODEL D55	
DATE OF ISSUANCE 02/15/2005	DATE OF EXPIRATION 07/31/2022	TYPE OF REGISTRATION LLC	
ENTER REGISTERED OWNER(S) & ADDRESS FROM FAA FILE (Owner 1) <u>FREEDOM FLYERS AVIATION LLC</u> (Owner 2) _____ Note: Enter any additional owner names on page two. (Address) <u>8304 NW 117TH ST</u> (Address) _____ City <u>OKLAHOMA CITY</u> State <u>OK</u> Zip <u>73162-1033</u> Country <u>UNITED STATES</u> Physical Address: Required when mailing address is a P.O. Box or mail drop. (Address) _____ (Address) _____ City _____ State _____ Zip _____ Country _____		HELPFUL INFORMATION Review Aircraft Registration File Information for this aircraft at: http://registry.faa.gov/aircraftinquiry . Assistance may be obtained at our web page: http://registry.faa.gov/renewregistration , by e-mail at: faa.aircraft.registry@faa.gov , or by telephone at: (866) 762 - 9434 (toll free), or (405) 954 - 3116 When mailing fees , please use a check or money order made payable to the Federal Aviation Administration. Signature and Title Requirements for Common Registration Types: - Individual owner must sign, title would be "owner". - Partnership general partner signs showing "general partner" as title. - Corporation corporate officer or manager signs, showing full title. - Limited Liability Co authorized member, manager, or officer identified in the LLC organization document signs, showing full title. - Co-owner each co-owner must sign; showing "co-owner" as title. - Government authorized person must sign and show their full title. Note: All signatures must be in ink, or other permanent media. To correct entries: Draw a single line through error. Make correct entry in remaining space, or complete the form on-line. An application form will be rejected if any entry is covered by correction tape or similarly obscured.	
TO RENEW REGISTRATION: <u>REVIEW</u> aircraft registration information, <u>SELECT</u> the appropriate statement, <u>ENTER</u> any change in address in the spaces below, <u>SIGN</u> , <u>DATE</u> , & <u>SEND</u> form with the \$5 renewal fee to the: FAA Aircraft Registry, PO Box 25504, Oklahoma City OK 73125-0504, or by courier to: 6425 S Denning Rm 118, Oklahoma City OK 73169-6937 ☒ I (WE) CERTIFY, THE NAME(S) AND ADDRESSES FROM THE FAA FILES FOR THE OWNER(S) OF THIS AIRCRAFT ARE CORRECT, OWNERSHIP MEETS CITIZENSHIP REQUIREMENTS OF 14 CFR §47.3, AIRCRAFT IS NOT REGISTERED UNDER THE LAWS OF ANY FOREIGN COUNTRY. ☐ UPDATE THE MAILING / PHYSICAL ADDRESS AS SHOWN BELOW. I (WE) CERTIFY THE: NAME(S) SHOWN ABOVE FOR THE OWNER(S) OF THIS AIRCRAFT IS CORRECT, OWNERSHIP MEETS THE CITIZENSHIP REQUIREMENTS OF 14 CFR §47.3, AIRCRAFT IS NOT REGISTERED UNDER THE LAWS OF ANY FOREIGN COUNTRY. NEW MAILING ADDRESS _____ _____ _____ _____ NEW PHYSICAL ADDRESS: complete if physical address has changed, or the new mailing address is a PO Box or Mail Drop. _____ _____ _____		TO CANCEL THE REGISTRATION FOR THIS AIRCRAFT: CHECK All applicable block(s) below, <u>COMPLETE</u> , <u>SIGN</u> , <u>DATE</u> & <u>MAIL</u> this form with any fees to the: FAA Aircraft Registry, PO Box 25504, Oklahoma City, OK, 73125-0504, or by courier to: 6425 S Denning Rm. 118, Oklahoma City OK 73169-6937 ☐ CANCELLATION OF REGISTRATION IS REQUESTED. ☐ THE AIRCRAFT WAS SOLD TO: (Show purchaser's name and address.) _____ _____ _____ ☐ THE AIRCRAFT IS DESTROYED OR SCRAPPED. ☐ THE AIRCRAFT WAS EXPORTED TO: _____ ☐ OTHER, Specify _____ ☐ PLEASE RESERVE N-NUMBER IN THE OWNER'S NAME AND ADDRESS. The \$10 reservation fee is enclosed.	
SIGNATURE OF OWNER 1 (required field)	PRINTED NAME OF SIGNER (required field)	TITLE (required field)	DATE
Electronically Certified by Registered Owners			2/7/2019
SIGNATURE OF OWNER 2	PRINTED NAME OF SIGNER	TITLE	DATE

Use page 2 for additional signatures.

Fee paid: \$5 (201902071346242383NB)

Note: Twelve (12) owner names may be entered on this page. If you require more, enter the first 12 names and then print this page by pressing the 'Print Page 2' button below. Next click the 'Reset' button to clear the data fields (from page 2 only) to add more names. Repeat action as needed.

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DEPARTMENT OF TRANSPORTATION - FEDERAL AVIATION ADMINISTRATION AIRCRAFT REGISTRATION RENEWAL APPLICATION		<i>FAILURE TO RENEW REGISTRATION WILL RESULT IN CANCELLATION OF REGISTRATION AND REGISTRATION NUMBER ASSIGNMENT (See 14 C.F.R. §§ 47.15(i), 47.40 and 47.41)</i>	
AIRCRAFT REGISTRATION NUMBER N 18MD		SERIAL NUMBER TE-455	
MANUFACTURER BEECH		MODEL D55	
DATE OF ISSUANCE 02/15/2005	DATE OF EXPIRATION 07/31/2019	TYPE OF REGISTRATION CORPORATION	
ENTER REGISTERED OWNER(S) & ADDRESS FROM FAA FILE (Owner 1) <u>FREEDOM FLYERS AVIATION LLC</u> (Owner 2) _____ Note: Enter any additional owner names on page two. (Address) <u>8304 NW 117TH ST</u> (Address) _____ City <u>OKLAHOMA CITY</u> State <u>OK</u> Zip <u>73162-1033</u> Country <u>UNITED STATES</u> Physical Address: Required when mailing address is a P.O. Box or mail drop. (Address) _____ (Address) _____ City _____ State _____ Zip _____ Country _____		HELPFUL INFORMATION Review Aircraft Registration File Information for this aircraft at: http://registry.faa.gov/aircraftinquiry . Assistance may be obtained at our web page: http://registry.faa.gov/renewregistration , by e-mail at: faa.aircraft.registry@faa.gov , or by telephone at: (866) 762 - 9434 (toll free), or (405) 954 - 3116 When mailing fees , please use a check or money order made payable to the Federal Aviation Administration. Signature and Title Requirements for Common Registration Types: - Individual owner must sign, title would be "owner". - Partnership general partner signs showing "general partner" as title. - Corporation corporate officer or manager signs, showing full title. - Limited Liability Co authorized member, manager, or officer identified in the LLC organization document signs, showing full title. - Co-owner each co-owner must sign; showing "co-owner" as title. - Government authorized person must sign and show their full title. Note: All signatures must be in ink, or other permanent media. To correct entries: Draw a single line through error. Make correct entry in remaining space, or complete the form on-line. An application form will be rejected if any entry is covered by correction tape or similarly obscured.	
TO RENEW REGISTRATION: <u>REVIEW</u> aircraft registration information, <u>SELECT</u> the appropriate statement, <u>ENTER</u> any change in address in the spaces below, <u>SIGN</u> , <u>DATE</u> , & <u>SEND</u> form with the \$5 renewal fee to the: FAA Aircraft Registry, PO Box 25504, Oklahoma City OK 73125-0504, or by courier to: 6425 S Denning Rm 118, Oklahoma City OK 73169-6937 ☒ I (WE) CERTIFY , THE NAME(S) AND ADDRESSES FROM THE FAA FILES FOR THE OWNER(S) OF THIS AIRCRAFT ARE CORRECT, OWNERSHIP MEETS CITIZENSHIP REQUIREMENTS OF 14 CFR §47.3, AIRCRAFT IS NOT REGISTERED UNDER THE LAWS OF ANY FOREIGN COUNTRY. ☐ UPDATE THE MAILING / PHYSICAL ADDRESS AS SHOWN BELOW. I (WE) CERTIFY THE: NAME(S) SHOWN ABOVE FOR THE OWNER(S) OF THIS AIRCRAFT IS CORRECT, OWNERSHIP MEETS THE CITIZENSHIP REQUIREMENTS OF 14 CFR §47.3, AIRCRAFT IS NOT REGISTERED UNDER THE LAWS OF ANY FOREIGN COUNTRY. NEW MAILING ADDRESS _____ _____ _____ _____ NEW PHYSICAL ADDRESS: complete if physical address has changed, or the new mailing address is a PO Box or Mail Drop. _____ _____ _____		TO CANCEL THE REGISTRATION FOR THIS AIRCRAFT: CHECK All applicable block(s) below, <u>COMPLETE</u> , <u>SIGN</u> , <u>DATE</u> & <u>MAIL</u> this form with any fees to the: FAA Aircraft Registry, PO Box 25504, Oklahoma City, OK, 73125-0504, or by courier to: 6425 S Denning Rm. 118, Oklahoma City OK 73169-6937 ☐ CANCELLATION OF REGISTRATION IS REQUESTED. ☐ THE AIRCRAFT WAS SOLD TO: (Show purchaser's name and address.) _____ _____ _____ ☐ THE AIRCRAFT IS DESTROYED OR SCRAPPED. ☐ THE AIRCRAFT WAS EXPORTED TO: _____ ☐ OTHER, Specify _____ ☐ PLEASE RESERVE N-NUMBER IN THE OWNER'S NAME AND ADDRESS. The \$10 reservation fee is enclosed.	
SIGNATURE OF OWNER 1 (required field)	PRINTED NAME OF SIGNER (required field)	TITLE (required field)	DATE
Electronically Certified by Registered Owners			2/9/2016
SIGNATURE OF OWNER 2	PRINTED NAME OF SIGNER	TITLE	DATE

Use page 2 for additional signatures.

Fee paid: \$5 (201602092057319820NB)

Note: Twelve (12) owner names may be entered on this page. If you require more, enter the first 12 names and then print this page by pressing the 'Print Page 2' button below. Next click the 'Reset' button to clear the data fields (from page 2 only) to add more names. Repeat action as needed.

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Paperwork Reduction Act Statement: The information collected on this form is necessary to obtain aircraft re-registration. We estimate that it will take approximately 30 minutes to complete the form. Please note that any agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. **Form Approved, OMB No. 2120-0729**
"Comments concerning the accuracy of this burden and suggestions for reducing the burden should be directed to the FAA at: 800 Independence Avenue SW, Washington, DC 20591. ATTN: Information Collection Clearance Officer, AES-200"

**DEPARTMENT OF TRANSPORTATION-FEDERAL AVIATION ADMINISTRATION
AIRCRAFT RE-REGISTRATION APPLICATION**

*FAILURE TO RE-REGISTER WILL RESULT
IN CANCELLATION OF REGISTRATION
AND REGISTRATION NUMBER ASSIGNMENT
(See 14 C.F.R. §§ 47.15(i), 47.40 and 47.41)*

AIRCRAFT REGISTRATION NUMBER N 18MD		SERIAL NUMBER TE-455	
MANUFACTURER BEECH		MODEL D55	
DATE OF ISSUANCE 07/12/2013		DATE OF EXPIRATION 07/31/2016	
		TYPE OF REGISTRATION CORPORATION	
NAME AND MAILING ADDRESS OF REGISTERED OWNER (If individual, give last name, first name and middle initial) (Owner 1) FREEDOM FLYERS AVIATION LLC (Owner 2) _____ Note: Enter any additional owner names on page two of this document. (Address) 8304 NW 117TH ST (Address) _____ City OKLAHOMA CITY State OK Zip 73162-1033 Country UNITED STATES		INFORMATION FOR COMPLETION Additional information may be obtained at our web page http://registry.faa.gov/renewregistration or by phone at 866-762-9434. Aircraft Registration Information may be reviewed at : http://registry.faa.gov/aircraftinquiry Please pay fees with a check or money order payable to the Federal Aviation Administration. Signature Requirements for Listed Registration Types: - Individual owner must sign. - Partnership a general partner must sign. - Corporation a corporate officer or managing official must sign. - Limited Liability Co. a member, manager, or officer who is authorized to manage the LLC must sign. - Co-owner each co-owner must sign, continuing as necessary, on page number two. - Government any authorized person may sign. Note: All signatures must be in ink.	
PHYSICAL ADDRESS (REQUIRED WHEN MAILING ADDRESS IS A P.O. BOX OR MAIL DROP) (Address) _____ (Address) _____ City _____ State _____ Zip _____ Country _____		TO RE-REGISTER AIRCRAFT: REVIEW REGISTRATION INFORMATION, ENTER CORRECTIONS IN BLANKS PROVIDED, CHECK APPLICABLE BLOCK BELOW, SIGN, DATE, & MAIL WITH THE \$5 FEE, To: The FAA Aircraft Registration Branch, PO Box 25504, Oklahoma City, OK, 73125-0504. ☒ I (WE) CERTIFY THE: NAME(S) AND MAILING ADDRESS SHOWN ABOVE FOR THE OWNER(S) OF THIS AIRCRAFT ARE CORRECT, OWNERSHIP MEETS CITIZENSHIP REQUIREMENTS OF 14 CFR §47.3, AIRCRAFT IS NOT REGISTERED UNDER THE LAWS OF ANY FOREIGN COUNTRY. ☐ UPDATE THE MAILING / PHYSICAL ADDRESS AS SHOWN BELOW. I (WE) CERTIFY THE: NAME(S) SHOWN ABOVE FOR THE OWNER(S) OF THIS AIRCRAFT IS CORRECT, OWNERSHIP MEETS THE CITIZENSHIP REQUIREMENTS OF 14 CFR §47.3, AIRCRAFT IS NOT REGISTERED UNDER THE LAWS OF ANY FOREIGN COUNTRY. MAILING ADDRESS _____ _____ _____ PHYSICAL ADDRESS: COMPLETE IF PHYSICAL ADDRESS HAS CHANGED, OR NEW MAILING ADDRESS IS A PO BOX OR MAIL DROP. _____ _____ _____	
TO CANCEL THE REGISTRATION FOR THIS AIRCRAFT: THE LAST REGISTERED OWNER MUST: MARK THE APPLICABLE BLOCK(S), COMPLETE, SIGN, DATE & Mail with any fees to: The FAA Aircraft Registration Branch, PO Box 25504, Oklahoma City, OK, 73125-0504. CANCELLATION OF REGISTRATION IS REQUESTED FOR THE REASON MARKED BELOW, ☐ 1. THE AIRCRAFT WAS SOLD TO: (Show purchaser's name and address) _____ _____ _____ ☐ 2. THE AIRCRAFT IS DESTROYED OR SCRAPPED. ☐ 3. THE AIRCRAFT WAS EXPORTED TO: _____ ☐ 4. OTHER, Specify _____ ☐ UPON CANCELLATION, PLEASE RESERVE THE N-NUMBER IN OWNERS' NAME. The \$10 check or money order for the N-number reservation fee is enclosed.			
SIGNATURE OF OWNER 1 Electronically Certified by Registered Owners		PRINTED NAME OF SIGNER	
SIGNATURE OF OWNER 2		PRINTED NAME OF SIGNER	
		TITLE	
		DATE 7/12/2013	
		TITLE	
		DATE	

Fee paid: \$5 (201307121147548596NA)

Note: Twelve (12) owner names may be entered on this page. If you require more, enter the first 12 names and then print this page by pressing the 'Print Page 2' button below. Next click the 'Reset' button to clear the data fields (from page 2 only) to add more names. Repeat action as needed.

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DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

THIS FORM SERVES TWO PURPOSES

PART I acknowledges the recording of a security conveyance covering the collateral shown.
PART II is a suggested form of release which may be used to release the collateral from the terms of the conveyance.

PART I - CONVEYANCE RECORDATION NOTICE

NAME (last name first) OF DEBTOR

Freedom Flyers Aviation LLC
8304 NW 117th Street
Oklahoma City, OK 73162

NAME and ADDRESS OF SECURED PARTY/ASSIGNEE

FAA Credit Union

P.O. Box 26406

Oklahoma City, OK 73126

NAME OF SECURED PARTY'S ASSIGNOR (if assigned)

Freedom Flyers Aviation LLC
8304 NW 117th Street
Oklahoma City, OK 73126

CONVEYANCE RECORDED

2007 AUG 1 PM 3 09

FEDERAL AVIATION -
ADMINISTRATIONDo Not Write In This Block
FOR FAA USE ONLYFAA REGISTRA-
TION NUMBER

N18MD

AIRCRAFT
SERIAL NUMBER

TE-455

AIRCRAFT MFR. (BUILDER) and MODEL

RECORDED CONVEYANCE

NUMBER L077511DOC ID C307 PAGE 1

ENGINE MFR. and MODEL

ENGINE SERIAL NUMBER(S)

PROPELLER MFR. and MODEL

PROPELLER SERIAL NUMBER(S)

THE SECURITY CONVEYANCE DATED 2/03/2005 COVERING THE ABOVE COLLATERAL WAS RECORDED BY THE FAA AIRCRAFT REG-
ISTRY ON 2/15/2005 AS CONVEYANCE NUMBER L077511

FAA CONVEYANCE EXAMINER

PART II - RELEASE - (This suggested release form may be executed by the secured party and returned to the FAA Aircraft Registry when terms of the conveyance have been satisfied. See below for additional information.)

THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT HE IS THE TRUE AND LAWFUL HOLDER OF THE NOTE OR OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE-DESCRIBED COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE RETAINED IN THE COLLATERAL BY THE CONVEYANCE IS HEREBY SOLD, GRANTED, TRANSFERRED, AND ASSIGNED TO THE PARTY WHO EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED: PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THIS RELEASE.

This form is only intended to be a suggested form of release, which meets the recording requirements of the Federal Aviation Act of 1958, and the regulations issued thereunder. In addition to these requirements, the form used by the security holder should be drafted in accordance with the pertinent provisions of local statutes and other applicable federal statutes. This form may be reproduced. There is no fee for recording a release. Send to FAA Aircraft Registry, P.O. Box 25504, Oklahoma City, Oklahoma 73125.

ACKNOWLEDGEMENT (If Required By
Applicable Local Law):

DATE OF RELEASE: 7/03/2007

FAA Credit Union

(Name of security holder)

SIGNATURE (in ink)

TITLE

(A person signing for a corporation must be a corporate officer or hold a managerial position and must show his title. A person signing for another should see Parts 47 and 49 of the Federal Aviation Regulations (14 CFR).

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AIRCRAFT REGISTRATION BR
2007 JUL 11 PM 11 48
OKLAHOMA CITY
OKLAHOMA

\$5.00

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02/04/2005

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION
FAA AIRCRAFT REGISTRYP.O. Box 25504
Oklahoma City, Oklahoma 73125

AIRCRAFT SECURITY AGREEMENT

L 0 7 7 5 1 1

000557

CONVEYANCE RECORDED

NAME & ADDRESS OF DEBTOR/BORROWER: Freedom Flyers Aviation LLC 8304 NW 117th Street Oklahoma City, OK 73162	2005 FEB 15 PM 4 16 FEDERAL AVIATION ADMINISTRATION ABOVE SPACE FOR FAA USE ONLY
NAME & ADDRESS OF SECURED PARTY/ASSIGNEE/LENDER: FAA Credit Union P.O. Box 26406 Oklahoma City, OK 73126	
NAME OF SECURED PARTY'S ASSIGNOR/GRANTOR: Freedom Flyers Aviation LLC 8304 NW 117th Street Oklahoma City, OK 73162	

THIS AIRCRAFT SECURITY AGREEMENT dated February 3, 2005, is made and executed between Freedom Flyers Aviation LLC ("Grantor") and FAA Credit Union ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a continuing security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL. The word "Collateral" means the following:

- (A) The Aircraft
- (B) The engines and all avionics, including without limitation the following specifically described engines or avionics or both: .
- (C) All log books, manuals, flight records, maintenance records, inspection reports, airworthiness certificates, and other historical records or information relating to the Aircraft, including without limitation the following: .
- (D) All attachments, accessions, parts, and additions to and all replacements of and substitutions for any property described above.
- (E) All rents, accounts, chattel paper, general intangibles, and monies, arising out of or related to use, rental, sale, lease, or other disposition of any of the property described in this Collateral section.
- (F) All proceeds (including insurance proceeds) from the sale or other disposition of any of the property described in this Collateral section.

The word "Aircraft" means the following described aircraft:

1968 Beech (Baron) D-55 with an FAA Registration Number of N 18MD (Serial Number TE-455)

The manufacturer's serial number for the Aircraft is TE-455, and its FAA Registration Number is N 18MD. The word "Aircraft" also means and includes without limitation, (1) the Airframe, (2) the Engines, and (3) any propellers.

The word "Airframe" means the Aircraft's airframe, together with any and all parts, appliances, components, instruments, accessories, accessions, attachments, equipment, or avionics (including, without limitation, radio, radar, navigation systems, or other electronic equipment) installed in, appurtenant to, or delivered with or in respect of such airframe.

The word "Engines" means any engines described above together with any other aircraft engines which either now or in the future are installed on, appurtenant to, or delivered with or in respect of the Airframe, together with any and all parts, appliances, components, accessories, accessions, attachments or equipment installed on, appurtenant to, or delivered with or in respect of such engines. The word "Engines" shall also refer to any replacement aircraft engine which, under this Agreement, is required or permitted to be installed upon the Airframe.

STATUTORY LIEN. Grantor agrees that all Indebtedness is secured by all shares and deposits in all joint and individual accounts Grantor has with Lender now and in the future. Grantor authorizes Lender, to the extent permitted by applicable law, to apply the balance in these accounts to pay any amounts due under this Agreement when Grantor is in default under this Agreement. Shares and deposits in an Individual Retirement Account and any other account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest Grantor has given in Grantor's shares and deposits.

DURATION. This Agreement shall remain in full force and effect until such time as the Indebtedness secured hereby, including principal, interest, costs, expenses, attorneys' fees and other fees and charges, shall have been paid in full, together with all additional sums that Lender may pay or advance on Grantor's behalf and interest thereon as provided in this Agreement.

REPRESENTATIONS AND WARRANTIES CONCERNING COLLATERAL. Grantor represents, warrants and covenants to Lender at all times while this Agreement is in effect as follows:

Title. Grantor warrants that Grantor is the lawful owner of the Collateral and holds good and marketable title to the Collateral, free and clear of all Encumbrances except the lien of this Agreement. Grantor is, or concurrent with the completion of the transactions contemplated by this Agreement will be, the registered owner of the Aircraft pursuant to a proper registration under the Federal Aviation Act of 1958, as amended, and Grantor qualifies in all respects as a citizen of the United States as defined in the Act. Grantor shall defend

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AIRCRAFT REGISTRATION BR
2005 FEB 4 PM 10 39
OKLAHOMA CITY
OKLAHOMA

Lender's rights in the Collateral against the claims and demands of all other persons. The Collateral is not and will not be registered under the laws of any foreign country, and Grantor is and will remain a citizen of the United States as defined in the Federal Aviation Act of 1958, as amended.

Authority; Binding Effect. Grantor has the full right, power and authority to enter into this Agreement and to grant a security interest in the Collateral to Lender. This Agreement is binding upon Grantor as well as Grantor's successors and assigns, and is legally enforceable in accordance with its terms. The foregoing representations and warranties, and all other representations and warranties contained in this Agreement are and shall be continuing in nature and shall remain in full force and effect until such time as this Agreement is terminated or cancelled as provided herein.

Aircraft and Log Books. Grantor will keep accurate and complete logs, manuals, books, and records relating to the Collateral, and will provide Lender with copies of such reports and information relating to the Collateral as Lender may reasonably require from time to time.

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. In particular, Grantor will perform, or will cause to be performed, upon Lender's request, each and all of the following:

- (1) Record, register and file this Agreement, together with such notices, financing statements or other documents or instruments as Lender may request from time to time to carry out fully the intent of this Agreement, with the FAA in Oklahoma City, Oklahoma, United States of America and other governmental agencies, either concurrent with the delivery and acceptance of the Collateral or promptly after the execution and delivery of this Agreement.
- (2) Furnish to Lender evidence of every such recording, registering, and filing.
- (3) Execute and deliver or perform any and all acts and things which may be reasonably requested by Lender with respect to complying with or remaining subject to the Geneva Convention, the laws and regulations of the FAA, and the laws and regulation of any of the various states or countries in which the Collateral is or may fly over, operate in, or become located in.

Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interests granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

Location of the Collateral. Grantor will hangar or keep the Collateral at , Oklahoma City, OK, which is its home airport or base location.

Removal of the Collateral. Except for routine use, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Inspection of Collateral. At any reasonable time, on demand by Lender, Grantor shall cause the Collateral (including the logs, books, manuals, and records comprising the Collateral) to be exhibited to Lender (or persons designated by Lender) for purposes of inspection and copying.

Maintenance, Repairs, Inspections, and Licenses. Grantor, at its expense, shall do, or cause to be done, in a timely manner with respect to the Collateral each and all of the following:

- (1) Grantor shall maintain and keep the Collateral in as good condition and repair as it is on the date of this Agreement, ordinary wear and tear excepted.
- (2) Grantor shall maintain and keep the Aircraft in good order and repair and in airworthy condition in accordance with the requirements of each of the manufacturers' manuals and mandatory service bulletins and each of the manufacturers' non-mandatory service bulletins which relate to airworthiness.
- (3) Grantor shall replace in or on the Airframe, any and all Engines, parts, appliances, instruments or accessories which may be worn out, lost, destroyed or otherwise rendered unfit for use.
- (4) Grantor shall cause to be performed, on all parts of the Aircraft, all applicable mandatory Airworthiness Directives, Federal Aviation Regulations, Special Federal Aviation Regulations, and manufacturers' service bulletins relating to airworthiness, the compliance date of which shall occur while this Agreement is in effect.
- (5) Grantor shall be responsible for all required inspections of the Aircraft and licensing or re-licensing of the Aircraft in accordance with all applicable FAA and other governmental requirements. Grantor shall at all times cause the Aircraft to have on board and in a conspicuous location a current Certificate of Airworthiness issued by the FAA.
- (6) All inspections, maintenance, modifications, repairs, and overhauls of the Aircraft (including those performed on the Airframe, the Engines or any components, appliances, accessories, instruments, or equipment) shall be performed by personnel authorized by the FAA to perform such services.
- (7) If any Engine, component, appliance, accessory, instrument, equipment or part of the Aircraft shall reach such a condition as to require overhaul, repair or replacement, for any cause whatever, in order to comply with the standards for maintenance and other provisions set forth in this Agreement, Grantor may:
 - (a) Install on or in the Aircraft such items of substantially the same type in temporary replacement of those then installed on the Aircraft, pending overhaul or repair of the unsatisfactory item; provided, however, that such replacement items must be in such a condition as to be permissible for use upon the Aircraft in accordance with the standards for maintenance and other provisions set forth in this Agreement; provided further, however, that Grantor at all times must retain unencumbered title to any and all items temporarily removed; or
 - (b) Install on or in the Aircraft such items of substantially the same type and value in permanent replacement of those then installed on the Aircraft; provided, however, that such replacement items must be in such condition as to be permissible for use upon the Aircraft in accordance with the standards for maintenance and other provisions set forth in this Agreement; provided

further, however, that Grantor must first comply with each of the requirements below.

(8) In the event Grantor shall be required or permitted to install upon the Airframe or any Engine, components, appliances, accessories, instruments, engines, equipment or parts in permanent replacement of those then installed on the Airframe or such Engine, Grantor may do so provided that, in addition to any other requirements of this Agreement:

(a) Lender is not divested of its security interest in and lien upon any item removed from the Aircraft and that no such removed item shall be or become subject to the lien or claim of any person, unless and until such item is replaced by an item of the type and condition required by this Agreement, title to which, upon its being installed or attached to the Airframe, is validly vested in Grantor, free and clear of all liens and claims, of every kind or nature, of all persons other than Lender;

(b) Grantor's title to every substituted item shall immediately be and become subject to the security interests and liens of Lender and each of the provisions of this Agreement, and each such item shall remain so encumbered and so subject unless it is, in turn, replaced by a substitute item in the manner permitted in this Agreement; and

(c) If an item is removed from the Aircraft and replaced in accordance with the requirements of this Agreement, and if the substituted item satisfies the requirements of this Agreement, including the terms and conditions above, then the item which is removed shall thereupon be free and clear of the security interests and liens of Lender.

(9) In the event that any Engine, component, appliance, accessory, instrument, equipment or part is installed upon the Airframe, and is not in substitution for or in replacement of an existing item, such additional item shall be considered as an accession to the Airframe.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon the Note, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances and regulations of the FAA and all other governmental authorities applicable to the use, operation, maintenance, overhauling or condition of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized. Without limiting the foregoing, Grantor agrees that at no time during the effectiveness of this Agreement shall the Collateral be operated in, located in, or relocated to, any jurisdiction, unless the Geneva Convention, together with its necessary enacting rules and regulations (or some comparable treaty and regulations satisfactory to Lender) shall be in effect in such jurisdiction and any notices, financing statements, documents, or instruments necessary or required, in the opinion of Lender, to be filed in such jurisdiction shall have been filed and file stamped copies thereof shall have been furnished to Lender. Notwithstanding the foregoing, at no time shall the Collateral be operated in or over any area which may expose Lender to any penalty, fine, sanction or other liability, whether civil or criminal, under any applicable law, rule, treaty or convention; nor may the Collateral be used in any manner which is or may be declared to be illegal and which may thereby render the Collateral liable to confiscation, seizure, detention or destruction.

Records Maintenance. Grantor shall maintain records relating to the Aircraft in accordance with FAA rules and regulations and from time to time make such records available for inspection by Lender and its duly authorized agents.

Maintenance of Casualty Insurance. Grantor shall procure and maintain at all times all risks insurance on the Collateral, including without limitation fire, theft, liability and hull insurance, and such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor shall further provide and maintain, at its sole cost and expense, comprehensive public liability insurance, naming both Grantor and Lender as parties insured, protecting against claims for bodily injury, death and/or property damage arising out of the use, ownership, possession, operation and condition of the Aircraft, and further containing a broad form contractual liability endorsement covering Grantor's obligations to indemnify Lender as provided under this Agreement. Such policies of insurance must also contain a provision, in form and substance acceptable to Lender, prohibiting cancellation or the alteration of such insurance without at least thirty (30) days prior written notice to Lender of such intended cancellation or alteration. Such insurance policies also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Grantor agrees to provide Lender with originals or certified copies of such policies of insurance. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Indebtedness, Grantor will provide Lender with such lender's loss payable or other endorsements as Lender may require. Grantor shall not use or permit the Collateral to be used in any manner or for any purpose excepted from or contrary to the requirements of any insurance policy or policies required to be carried and maintained under this Agreement or for any purpose excepted or exempted from or contrary to the insurance policies, nor shall Grantor do any other act or permit anything to be done which could reasonably be expected to invalidate or limit any such insurance policy or policies.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral in excess of \$5,000, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Lender shall have the right to receive directly the proceeds of any insurance on the Collateral, including accrued proceeds thereon, and to hold the proceeds as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Prior Encumbrances. To the extent applicable, Grantor shall fully and timely perform any and all of Grantor's obligations under any prior Encumbrances affecting the Collateral. Without limiting the foregoing, Grantor shall not commit or permit to exist any breach of or default under any such prior Encumbrances. Grantor shall further promptly notify Lender in writing upon the occurrence of any event or circumstances that would, or that might, result in a breach of or default under any such prior Encumbrance. Grantor shall further not modify or extend any of the terms of any prior Encumbrance or any indebtedness secured thereby, or request or obtain any additional loans or other extensions of credit from any third party creditor or creditors whenever such additional loan advances or other extensions of credit may be directly or indirectly secured, whether by cross-collateralization or otherwise, by the Collateral, or any part or parts thereof, with possible preference and priority over the lien of this Agreement.

Notice of Encumbrances and Events of Default. Grantor shall immediately notify Lender in writing upon the filing of any attachment, lien, judicial process, or claim relating to the Collateral. Grantor additionally agrees to immediately notify Lender in writing upon the occurrence of any Event of Default, or event that with the passage of time, failure to cure, or giving of notice, may result in an Event of Default under any of Grantor's obligations that may be secured by any presently existing or future Encumbrance, or that may result in an Encumbrance affecting the Collateral, or should the Collateral be seized or attached or levied upon, or threatened by seizure or attachment or levy, by any person other than Lender.

PROHIBITIONS REGARDING COLLATERAL. Grantor represents, warrants and covenants to Lender while this Agreement remains in effect as follows:

Transactions Involving Collateral. Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender, and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

No Commercial Use. Grantor shall not, without the prior written consent of Lender, use the Collateral, or permit the Collateral to be used, in Commercial Operations.

No Removal of Parts. Except as permitted or required in the section of this Agreement titled "Maintenance, Repairs, Inspections, and Licenses," Grantor shall not remove or permit the removal of any parts, engines, accessories, avionics or equipment from the Aircraft without replacing the same with comparable parts, engines, accessories, avionics and equipment acceptable to Lender and the Aircraft's manufacturer and insurer.

Future Encumbrances. Grantor shall not, without the prior written consent of Lender, grant any Encumbrance that may affect the Collateral, or any part or parts thereof, nor shall Grantor permit or consent to any Encumbrance attaching to or being filed against the Collateral, or any part or parts thereof, in favor of anyone other than Lender. Grantor shall further promptly pay when due all statements and charges of airport authorities, mechanics, laborers, materialmen, suppliers and others incurred in connection with the use, operation, storage, maintenance and repair of the Aircraft so that no Encumbrance may attach to or be filed against the Aircraft or other Collateral. Grantor additionally agrees to obtain, upon request by Lender, and in form and substance as may then be satisfactory to Lender, appropriate waivers and/or subordinations of any Encumbrances that may affect the Collateral at any time.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor shall have the possession and beneficial use of the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note or at the highest rate authorized by law, from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default. If Lender is required by law to give Grantor notice before or after Lender makes an expenditure, Grantor agrees that notice sent by regular mail at least five (5) days before the expenditure is made or notice delivered two (2) days before the expenditure is made is sufficient, and that notice within sixty (60) days after the expenditure is made is reasonable.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender

monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Oklahoma Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise dispose of the Collateral. Unless the Collateral in whole or in part is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or of the time after which any private sale or other disposition is to be made. Notwithstanding any other provision of this Agreement, any requirement of notice for this purpose shall be met if notice is provided at least ten (10) days before sale or other disposition or action. Lender shall be entitled to, and Grantor shall be liable for, all reasonable costs and expenditures incurred in realizing on Lender's security interest, including without limitation, all court costs, fees for sale, selling costs and reasonable attorneys' fees as set forth in the Note or in this Agreement. All such costs shall be secured by the security interest in the Collateral covered by this Agreement.

Appoint Receiver. In any action by Lender for the foreclosure of this Agreement, whether by judicial foreclosure or power of sale, Lender shall be entitled to the appointment of a receiver upon any failure of Grantor to comply with any term, obligation, covenant, or condition contained in this Agreement, the Note, or any Related Documents.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

INDEMNIFICATION OF LENDER. Grantor agrees to indemnify, to defend and to save and hold Lender harmless from any and all claims, suits, obligations, damages, losses, costs and expenses (including, without limitation, Lender's attorneys' fees), demands, liabilities, penalties, fines and forfeitures of any nature whatsoever that may be asserted against or incurred by Lender, its officers, directors, employees, and agents arising out of, relating to, or in any manner occasioned by this Agreement and the exercise of the rights and remedies granted Lender under this. The foregoing indemnity provisions shall survive the cancellation of this Agreement as to all matters arising or accruing prior to such cancellation and the foregoing indemnity shall survive in the event that Lender elects to exercise any of the remedies as provided under this Agreement following default hereunder.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. All prior and contemporaneous representations and discussions concerning such matters either are included in this document or do not constitute an aspect of the agreement of the parties. Except as may be specifically set forth in this Agreement, no conditions precedent or subsequent, of any kind whatsoever, exist with respect to Grantor's obligations under this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Oklahoma without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Oklahoma.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Oklahoma County, State of Oklahoma.

Notices. To the extent permitted by applicable law, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices

under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. To the extent permitted by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the United States Code and Regulations thereunder dealing with or involving Aircraft, commercial instruments relating to such Aircraft, and in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Aircraft Security Agreement, as this Aircraft Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Aircraft Security Agreement from time to time.

Borrower. The word "Borrower" means Freedom Flyers Aviation LLC and includes all co-signers and co-makers signing the Note.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Commercial Operations. The words "Commercial Operations" mean the carriage by aircraft in air commerce of persons or property for compensation or hire. Commercial Operations do not include carriage by aircraft in air commerce of Grantor's employees or invitees or Grantor's own property.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Encumbrance. The word "Encumbrance" means any and all presently existing or future mortgages, liens, privileges and other contractual and statutory security interests and rights, of every nature and kind, whether in admiralty, at law, or in equity, that now and/or in the future may affect the Collateral or any part or parts thereof.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

FAA. The word "FAA" means the United States Federal Aviation Administration, or any successor or replacement administration or governmental agency having the same or similar authority and responsibilities.

Geneva Convention. The words "Geneva Convention" mean the Convention on the International Recognition of Rights in Aircraft made at Geneva, Switzerland on June 19, 1948, (effective September 17, 1953), together with the necessary enacting rules and regulations promulgated by any particular signatory country.

Grantor. The word "Grantor" means Freedom Flyers Aviation LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means FAA Credit Union, its successors and assigns.

Note. The word "Note" means the Note executed by Freedom Flyers Aviation LLC in the principal amount of \$50,000.00 dated February 3, 2005, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

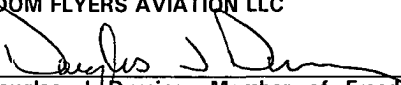
Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**AIRCRAFT SECURITY AGREEMENT
(Continued)**

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AIRCRAFT SECURITY AGREEMENT AND GRANTOR AGREES TO ITS TERMS. THIS AIRCRAFT SECURITY AGREEMENT IS DATED FEBRUARY 3, 2005.

GRANTOR:

FREEDOM FLYERS AVIATION LLC

By: 

Douglas J. Durning, Member of Freedom Flyers
Aviation LLC

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AIRCRAFT REGISTRATION BR
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OKLAHOMA

FEB 15 2005

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION-MIKE MONRONEY AERONAUTICAL CENTER AIRCRAFT REGISTRATION APPLICATION
UNITED STATES REGISTRATION NUMBER N 18MD
AIRCRAFT MANUFACTURER & MODEL Beech D55
AIRCRAFT SERIAL No. TE-455

CERT. ISSUE DATE

L FEB 15 2005

FOR FAA USE ONLY

TYPE OF REGISTRATION (Check one box)

- ☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't. ☐ 8. Non-Citizen Corporation
L.L.C.

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)

Freedom Flyers Aviation LLC

TELEPHONE NUMBER: ()

ADDRESS (Permanent mailing address for first applicant listed.)

Number and street: **8304 NW 117th Street**

Rural Route:

P.O. Box:

CITY

STATE

ZIP CODE

Oklahoma City**OK****73162**

- ☐ **CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS**
ATTENTION! Read the following statement before signing this application.
This portion MUST be completed.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and / or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY:

- (1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____), or:

CHECK ONE AS APPROPRIATE:

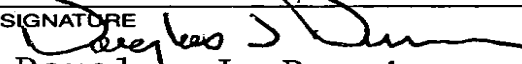
- a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____
- b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records or flight hours are available for inspection at _____

- (2) That the aircraft is not registered under the laws of any foreign country; and

- (3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE

EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE  Douglas J. Durning	TITLE Member	DATE 2/3/05
	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE

NOTE Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2005 FEB 4 AM 10 39
OKLAHOMA CITY
OKLAHOMA

UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF \$ THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT DES-
CRIBED AS FOLLOWS:UNITED STATES
REGISTRATION NUMBER **N18MD**AIRCRAFT MANUFACTURER & MODEL
Beech P55

AIRCRAFT SERIAL No.

TE-455

CONVEYANCE RECORDED

DOES THIS DAY OF 20 **2006**
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:**FEB 15 PM 4 14**FEDERAL AVIATION
Do Not Write In This Block
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PURCHASER

NAME AND ADDRESS

(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL.)

Freedom Flyers Aviation LLC
8304 NW 117th Street
Oklahoma City, OK 73162

DEALER CERTIFICATE NUMBER

AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS DAY OF 20

SELLER

NAME (S) OF SELLER
(TYPED OR PRINTED)SIGNATURE (S)
(IN INK) (IF EXECUTED
FOR CO-OWNERSHIP, ALL MUST
SIGN.)TITLE
(TYPED OR PRINTED)**POLLARD AIRCRAFT Sales, Inc.****T. Pollard****Pres.**ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)**Aspe orig B/S sold**
ORIGINAL: TO FAA**5007/10/20**
622610158050**\$5.00**

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2005 FEB 4 PM 10 39
OKLAHOMA CITY
OKLAHOMA

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

L 0 7 7 5 0 9

50505

THIS FORM SERVES TWO PURPOSES:

PART I acknowledges the recording of a security conveyance covering the collateral shown.
PART II is a suggested form of release which may be used to release the collateral from the terms of the conveyance.

PART I - CONVEYANCE RECORDATION NOTICE

NAME (last name first) OF DEBTOR
SEMRAU AIRCRAFT COMPANY

NAME and ADDRESS OF SECURED PARTY/ASSIGNEE
FIRST SOUTH BANK
1862 HIGHWAY 45 BYPASS
JACKSON, TN 38305

NAME OF SECURED PARTY'S ASSIGNOR (if assigned)

CONVEYANCE RECORDED

2005 FEB 15 PM 4 13

FEDERAL AVIATION
ADMINISTRATION

SEE RECORDED CONVEYANCE

NUMBER L077311

DOC ID C306 PAGE 1

FAA REGISTRATION
NUMBER

N18MD

AIRCRAFT SERIAL
NUMBER

TE-455

AIRCRAFT MFR. (BUILDER) and MODEL

Boeing D55

ENGINE MFR. And MODEL

ENGINE SERIAL NUMBER (S)

PROPELLER MFR. And MODEL

PROPELLER SERIAL NUMBER (S)

THE SECURITY CONVEYANCE DATED 6/24/04 COVERING THE ABOVE COLLATERAL WAS RECORDED BY THE
FAA AIRCRAFT REGISTRY ON 1/25/05 AS CONVEYANCE NUMBER L077311.

FAA CONVEYANCE EXAMINER

PART II - RELEASE - (This suggested release form may be executed by the secured party and returned to the FAA Aircraft Registry when the terms of the conveyance have been satisfied. See below for additional information)

THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT HE IS THE TRUE AND LAWFUL HOLDER OF THE NOTE OR OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE-DESCRIBED COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE RETAINED IN THE COLLATERAL BY THE CONVEYANCE IS HEREBY SOLD, GRANTED, TRANSFERRED, AND ASSIGNED TO THE PARTY WHO EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED: PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THIS RELEASE.

DATE OF RELEASE: FEBRUARY 1, 2005

FIRST SOUTH BANK

SIGNATURE (in ink)

Brent Attaway

TITLE: VICE PRESIDENT

A PERSON SIGNING FOR A CORPORATION MUST BE A CORPORATE OFFICER OR HOLD A MANAGERIAL POSITION AND MUST SHOW HIS TITLE. A PERSON SIGNING FOR ANOTHER SHOULD SEE PARTS 47 AND 49 OF THE FEDERAL AVIATION REGULATIONS (14 CFR)

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2005 FEB 4 AM 10 39
OKLAHOMA CITY
OKLAHOMA

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

FORM APPROVED **L 077508**
OMB NO. 2120-0043

THIS FORM SERVES TWO PURPOSES

PART I acknowledges the recording of a security conveyance covering the collateral shown.
PART II is a suggested form of release which may be used to release the collateral from the terms of the conveyance.

PART I CONVEYANCE RECORDATION NOTICE

CONVEYANCE RECORDED

NAME (last name first) OF DEBTOR
POLLARD AIRCRAFT SALES INC

2005 FEB 15 PM 4 12

NAME and ADDRESS OF SECURED PARTY/ASSIGNEE

CESSNA FINANCE CORP
PO BOX 308
WICHITA KS 67201-0308

SEE RECORDED CONVEYANCE FEDERAL AVIATION
NUMBER **R065053** ADMINISTRATION
DOC ID **C302** PAGE **L**



NAME OF SECURED PARTY'S ASSIGNOR (if assigned)

Do Not Write In This Block
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FAA REGISTRATION NUMBER
N18MD

AIRCRAFT SERIAL NUMBER
TE-455

AIRCRAFT MFR. (BUILDER) and MODEL
BEECH D55

ENGINE MFR. and MODEL

ENGINE SERIAL NUMBER(S)

PROPELLER MFR. and MODEL

PROPELLER SERIAL NUMBER(S)

THE SECURITY CONVEYANCE DATED 6/29/2004 COVERING THE ABOVE COLLATERAL WAS RECORDED BY

THE CIVIL AVIATION REGISTRY ON 8/12/2004 AS CONVEYANCE NUMBER R065053

Nancy Brown

Nancy Brown
LEGAL INSTRUMENTS EXAMINER

PART II - RELEASE - (This suggested release form may be executed by the secured party and returned to the Civil Aviation Registry when terms of the conveyance have been satisfied. See below for additional information.)

THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT THEY ARE THE TRUE AND LAWFUL HOLDER OF THE NOTE OR OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE DESCRIBED COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE RETAINED IN THE COLLATERAL BY THE CONVEYANCE IS HEREBY SOLD, GRANTED TRANSFERRED, AND ASSIGNED TO THE PARTY WHO EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED: PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THE RELEASE.

This form is only intended to be a suggested form of release, which meets the recording requirements of the Federal Aviation Act of 1958, and the regulations issued thereunder. In addition to these requirements, the form used by the security holder should be drafted in accordance with the pertinent provisions of local statutes and other applicable federal statutes. This form may be reproduced. There is no fee for recording a release. Send to Aircraft Registration Branch, P.O. Box 25504, Oklahoma City, Oklahoma 73125.

DATE OF RELEASE FEB 1 2005

CESSNA FINANCE CORPORATION

(Name of security holder)

SIGNATURE (In Ink)

PAMELA A. McEACHERN

TITLE

ASSISTANT SECRETARY
(A person signing for a corporation must be a corporate officer or hold a managerial position and must show his title. A person signing for another should see parts 47 and 49 of the Federal Aviation Regulations (14 CFR))

ACKNOWLEDGMENT (If Required By Applicable Local Law):

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AIRCRAFT REGISTRATION BR
2005 FEB 4 PM 10 39
PAMELA A. McEACHERN
ASSISTANT SECRETARY
OKLAHOMA CITY
OKLAHOMA

FEB 7 20

DEBTOR NAME AND ADDRESS
Semrau Aircraft Company
1111 W. FOREST
JACKSON, TN 38301

SECURED PARTY NAME AND ADDRESS
FIRST SOUTH BANK
1862 HWY. 45 BYPASS
JACKSON, TN 38305
62-0225855

Type: ☐ individual ☐ partnership ☒ corporation ☐
State of organization/registration (if applicable) _____
☐ If checked, refer to addendum for additional Debtors and signatures.

L 077311

CONVEYANCE RECORDED

COMMERCIAL SECURITY AGREEMENT

2005 JAN 25 PM 2 04

The date of this Commercial Security Agreement (Agreement) is 08-24-2004
SECURED DEBTS. This Agreement will secure all sums advanced by Secured Party under the terms of this Agreement and the payment and performance of the following described Secured Debts that (check one) ☒ Debtor ☐ (Borrower) owes to Secured Party

FEDERAL AVIATION
ADMINISTRATION

☐ Specific Debts. The following debts and all extensions, renewals, refinancings, modifications, and replacements (describe):

☒ All Debts. All present and future debts, even if this Agreement is not referenced, the debts are also secured by other collateral, or the future debt is unrelated to or of a different type than the current debt. Nothing in this Agreement is a commitment to make future loans or advances.
SECURITY INTEREST. To secure the payment and performance of the Secured Debts, Debtor gives Secured Party a security interest in all of the Property described in this Agreement that Debtor owns or has sufficient rights in which to transfer an interest, now or in the future, wherever the Property is or will be located, and all proceeds and products of the Property. "Property" includes all parts, accessories, repairs, replacements, improvements, and accessions to the Property; any original evidence of title or ownership; and all obligations that support the payment or performance of the Property. "Proceeds" includes anything acquired upon the sale, lease, license, exchange, or other disposition of the Property; any rights and claims arising from the Property; and any collections and distributions on account of the Property. This Agreement remains in effect until terminated in writing, even if the Secured Debts are paid and Secured Party is no longer obligated to advance funds to Debtor or Borrower.

PROPERTY DESCRIPTION. The Property is described as follows:

- ☒ Accounts and Other Rights to Payment: All rights to payment, whether or not earned by performance, including, but not limited to, payment for property or services sold, leased, rented, licensed, or assigned. This includes any rights and interests (including all liens) which Debtor may have by law or agreement against any account debtor or obligor of Debtor.
- ☐ Inventory: All inventory held for ultimate sale or lease, or which has been or will be supplied under contracts of service, or which are raw materials, work in process, or materials used or consumed in Debtor's business.
- ☐ Equipment: All equipment including, but not limited to, machinery, vehicles, furniture, fixtures, manufacturing equipment, farm machinery and equipment, shop equipment, office and record keeping equipment, parts, and tools. The Property includes any equipment described in a list or schedule Debtor gives to Secured Party, but such a list is not necessary to create a valid security interest in all of Debtor's equipment.
- ☒ Instruments and Chattel Paper: All instruments, including negotiable instruments and promissory notes and any other writings or records that evidence the right to payment of a monetary obligation, and tangible and electronic chattel paper.
- ☐ General Intangibles: All general intangibles including, but not limited to, tax refunds, patents and applications for patents, copyrights, trademarks, trade secrets, goodwill, trade names, customer lists, permits and franchises, payment intangibles, computer programs and all supporting information provided in connection with a transaction relating to computer programs, and the right to use Debtor's name.
- ☒ Documents: All documents of title including, but not limited to, bills of lading, dock warrants and receipts, and warehouse receipts.
- ☐ Farm Products and Supplies: All farm products including, but not limited to, all poultry and livestock and their young, along with their produce, products, and replacements; all crops, annual or perennial, and all products of the crops; and all feed, seed, fertilizer, medicines, and other supplies used or produced in Debtor's farming operations.
- ☐ Government Payments and Programs: All payments, accounts, general intangibles, and benefits including, but not limited to, payments in kind, deficiency payments, letters of entitlement, warehouse receipts, storage payments, emergency assistance and diversion payments, production flexibility contracts, and conservation reserve payments under any preexisting, current, or future federal or state government program.
- ☐ Investment Property: All investment property including, but not limited to, certificated securities, uncertificated securities, securities entitlements, securities accounts, commodity contracts, commodity accounts, and financial assets.
- ☐ Deposit Accounts: All deposit accounts including, but not limited to, demand, time, savings, passbook, and similar accounts.
- ☒ Specific Property Description: The Property includes, but is not limited by, the following (if required, provide real estate description):

1 1977 ROCKWELL COMMANDER AIRPLANE, REGISTRATION #N690GS, SERIAL NO. #11363. FSB LOAN #589416 MODIFIED 6-24-04; 1 1968 BEECHCRAFT PLANE #N18MD
CONTINUING TO SECURE THIS LOAN IS 1 1984 BEECH B58 PLANE, VIN #TH1422, REGISTRATION #N3858W.

I certify this to be a true and correct
copy of the original document.
AERO RECORDS AND TITLE CO.

By K. Mayhew

USE OF PROPERTY. The Property will be used for ☒ personal ☒ business ☐ agricultural ☐ purposes.

SIGNATURES. Debtor agrees to the terms on pages 1 and 2 of this Agreement and acknowledges receipt of a copy of this Agreement.

Semrau Aircraft Company By: <u>LORNE SEMRAU, President</u>	SECURED PARTY FIRST SOUTH BANK <u>BRENT ATTAWAY</u> VICE PRESIDENT
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ORIG S/A RETD TO ARTC

1002/62/12
163641422591

00.00\$

1002/05/2004
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00.00\$

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OKLAHOMA CITY
OKLAHOMA

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AIRCRAFT REGISTRATION BR
2004 NOV 5 PM 2 02
OKLAHOMA CITY
OKLAHOMA

GENERAL PROVISIONS. Each Debtor's obligations under this Agreement are independent of the obligations of any other Debtor. Secured Party may sue each Debtor individually or together with any other Debtor. Secured Party may release any part of the Property and Debtor will remain obligated under this Agreement. The duties and benefits of this Agreement will bind the successors and assigns of Debtor and Secured Party. No modification of this Agreement is effective unless made in writing and signed by Debtor and Secured Party. Whenever used, the plural includes the singular and the singular includes the plural. Time is of the essence.

APPLICABLE LAW. This Agreement is governed by the laws of the state in which Secured Party is located. In the event of a dispute, the exclusive forum, venue, and place of jurisdiction will be the state in which Secured Party is located, unless otherwise required by law. If any provision of this Agreement is unenforceable by law, the unenforceable provision will be severed and the remaining provisions will still be enforceable.

NAME AND LOCATION. Debtor's name indicated on page 1 is Debtor's exact legal name. If Debtor is an individual, Debtor's address is Debtor's principal residence. If Debtor is not an individual, Debtor's address is the location of Debtor's chief executive offices or sole place of business. If Debtor is an entity organized and registered under state law, Debtor has provided Debtor's state of registration on page 1. Debtor will provide verification of registration and location upon Secured Party's request. Debtor will provide Secured Party with at least 30 days notice prior to any change in Debtor's name, address, or state of organization or registration.

WARRANTIES AND REPRESENTATIONS. Debtor has the right, authority, and power to enter into this Agreement. The execution and delivery of this Agreement will not violate any agreement governing Debtor or Debtor's property, or to which Debtor is a party. Debtor makes the following warranties and representations which continue as long as this Agreement is in effect:

- (1) Debtor is duly organized and validly existing in all jurisdictions in which Debtor does business;
- (2) the execution and performance of the terms of this Agreement have been duly authorized, have received all necessary governmental approval, and will not violate any provision of law or order;
- (3) other than previously disclosed to Secured Party, Debtor has not changed Debtor's name or principal place of business within the last 10 years and has not used any other trade or fictitious name; and
- (4) Debtor does not and will not use any other name without Secured Party's prior written consent.

Debtor owns all of the Property, and Secured Party's claim to the Property is ahead of the claims of any other creditor, except as otherwise agreed and disclosed to Secured Party prior to any advance on the Secured Debts. The Property has not been used for any purpose that would violate any laws or subject the Property to forfeiture or seizure.

DUTIES TOWARD PROPERTY. Debtor will protect the Property and Secured Party's interest against any competing claim. Except as otherwise agreed, Debtor will keep the Property in Debtor's possession at the address indicated on page 1 of this Agreement. Debtor will keep the Property in good repair and use the Property only for purposes specified on page 1. Debtor will not use the Property in violation of any law and will pay all taxes and assessments levied or assessed against the Property. Secured Party has the right of reasonable access to inspect the Property, including the right to require Debtor to assemble and make the Property available to Secured Party. Debtor will immediately notify Secured Party of any loss or damage to the Property. Debtor will prepare and keep books, records, and accounts about the Property and Debtor's business, to which Debtor will allow Secured Party reasonable access.

Debtor will not sell, offer to sell, license, lease, or otherwise transfer or encumber the Property without Secured Party's prior written consent. Any disposition of the Property will violate Secured Party's rights, unless the Property is inventory sold in the ordinary course of business at fair market value. If the Property includes chattel paper or instruments, either as original collateral or as proceeds of the Property, Debtor will record Secured Party's interest on the face of the chattel paper or instruments.

If the Property includes accounts, Debtor will not settle any account for less than the full value, dispose of the accounts by assignment, or make any material change in the terms of any account without Secured Party's prior written consent. Debtor will collect all accounts in the ordinary course of business, unless otherwise required by Secured Party. Debtor will keep the proceeds of the accounts, and any goods returned to Debtor, in trust for Secured Party and will not commingle the proceeds or returned goods with any of Debtor's other property. Secured Party has the right to require Debtor to pay Secured Party the full price on any returned items. Secured Party may require account debtors to make payments under the accounts directly to Secured Party. Debtor will deliver the accounts to Secured Party at Secured Party's request. Debtor will give Secured Party all statements, reports, certificates, lists of account debtors (showing names, addresses, and amounts owing), invoices applicable to each account, and any other data pertaining to the accounts as Secured Party requests.

If the Property includes farm products, Debtor will provide Secured Party with a list of the buyers, commission merchants, and selling agents to or through whom Debtor may sell the farm products. Debtor authorizes Secured Party to notify any additional parties regarding Secured Party's interest in Debtor's farm products, unless prohibited by law. Debtor agrees to plant, cultivate, and harvest crops in due season. Debtor will be in default if any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetland to produce or to make possible the production of an agricultural commodity, further explained in 7 CFR Part 1940, Subpart G, Exhibit M. If Debtor pledges the Property to Secured Party (delivers the Property into the possession or control of Secured Party or a designated third party), Debtor will, upon receipt, deliver any proceeds and products of the Property to Secured Party. Debtor will provide Secured Party with any notices, documents, financial statements, reports, and other information relating to the Property Debtor receives as the owner of the Property.

PERFECTION OF SECURITY INTEREST. Debtor authorizes Secured Party to file a financing statement covering the Property. Debtor will comply with, facilitate, and otherwise assist Secured Party in connection with obtaining possession or control over the Property for purposes of perfecting Secured Party's interest under the Uniform Commercial Code.

INSURANCE. Debtor agrees to keep the Property insured against the risks reasonably associated with the Property until the Property is released from this Agreement. Debtor will maintain this insurance in the amounts Secured Party requires. Debtor may choose the insurance company, subject to Secured Party's approval, which will not be unreasonably withheld. Debtor will have the insurance provider name Secured Party as loss payee on the insurance policy. Debtor will give Secured Party and the insurance provider immediate notice of any loss. Secured Party may apply the insurance proceeds toward the Secured Debts. Secured Party may require additional security as a condition of permitting any insurance proceeds to be used to repair or replace the Property. If Secured Party acquires the Property in damaged condition, Debtor's rights to any insurance policies and proceeds will pass to Secured Party to the extent of the Secured Debts. Debtor will immediately notify Secured Party of the cancellation or termination of insurance. If Debtor fails to keep the Property insured, or fails to provide Secured Party with proof of insurance, Secured Party may obtain insurance to protect Secured Party's interest in the Property. The insurance may include coverages not originally required of Debtor, may be written by a company other than one Debtor would choose, and may be written at a higher rate than Debtor could obtain if Debtor purchased the insurance.

AUTHORITY TO PERFORM. Debtor authorizes Secured Party to do anything Secured Party deems reasonably necessary to protect the Property and Secured Party's interest in the Property. If Debtor fails to perform any of Debtor's duties under this Agreement, Secured Party is authorized, without notice to Debtor, to perform the duties or cause them to be performed. These authorizations include, but are not limited to, permission to pay for the repair, maintenance, and preservation of the Property and take any action to realize the value of the Property. Secured Party's authority to perform for Debtor does not create an obligation to perform, and Secured Party's failure to perform will not preclude Secured Party from exercising any other rights under the law or this Agreement.

If Secured Party performs for Debtor, Secured Party will use reasonable care. Reasonable care will not include any steps necessary to preserve rights against prior parties or any duty to take action in connection with the management of the Property.

If Secured Party comes into possession of the Property, Secured Party will preserve and protect the Property to the extent required by law. Secured Party's duty of care with respect to the Property will be satisfied if Secured Party exercises reasonable care in the safekeeping of the Property or in the selection of a third party in possession of the Property.

Secured Party may enforce the obligations of an account debtor or other person obligated on the Property. Secured Party may exercise Debtor's rights with respect to the account debtor's or other person's obligations to make payment or otherwise render performance to Debtor, and enforce any security interest that secures such obligations.

PURCHASE MONEY SECURITY INTEREST. If the Property includes items purchased with the Secured Debts, the Property purchased with the Secured Debts will remain subject to Secured Party's security interest until the Secured Debts are paid in full. Payments on any non-purchase money loan also secured by this Agreement will not be applied to the purchase money loan. Payments on the purchase money loan will be applied first to the non-purchase money portion of the loan, if any, and then to the purchase money portion in the order in which the purchase money Property was acquired. If the purchase money Property was acquired at the same time, payments will be applied in the order Secured Party selects. No security interest will be terminated by application of this formula.

DEFAULT. Debtor will be in default if:

- (1) Debtor (or Borrower, if not the same) fails to make a payment in full when due;
- (2) Debtor fails to perform any condition or keep any covenant on this or any debt or agreement Debtor has with Secured Party;
- (3) a default occurs under the terms of any instrument or agreement evidencing or pertaining to the Secured Debts;
- (4) anything else happens that either causes Secured Party to reasonably believe that Secured Party will have difficulty in collecting the Secured Debts or significantly impairs the value of the Property.

REMEDIES. After Debtor defaults, and after Secured Party gives any legally required notice and opportunity to cure the default, Secured Party may at Secured Party's option do any one or more of the following:

- (1) make all or any part of the Secured Debts immediately due and accrue interest at the highest post-maturity interest rate;
- (2) require Debtor to gather the Property and make it available to Secured Party in a reasonable fashion;
- (3) enter upon Debtor's premises and take possession of all or any part of Debtor's property for purposes of preserving the Property or its value and use and operate Debtor's property to protect Secured Party's interest, all without payment or compensation to Debtor;
- (4) use any remedy allowed by state or federal law, or provided in any agreement evidencing or pertaining to the Secured Debts.

If Secured Party repossesses the Property or enforces the obligations of an account debtor, Secured Party may keep or dispose of the Property as provided by law. Secured Party will apply the proceeds of any collection or disposition first to Secured Party's expenses of enforcement, which includes reasonable attorneys' fees and legal expenses to the extent not prohibited by law, and then to the Secured Debts. Debtor (or Borrower, if not the same) will be liable for the deficiency, if any.

By choosing any one or more of these remedies, Secured Party does not give up the right to use any other remedy. Secured Party does not waive a default by not using a remedy.

WAIVER. Debtor waives all claims for damages caused by Secured Party's acts or omissions where Secured Party acts in good faith.

NOTICE AND ADDITIONAL DOCUMENTS. Where notice is required, Debtor agrees that 10 days prior written notice will be reasonable notice to Debtor under the Uniform Commercial Code. Notice to one party is notice to all parties. Debtor agrees to sign, deliver, and file any additional documents and certifications Secured Party considers necessary to perfect, continue, or preserve Debtor's obligations under this Agreement and to confirm Secured Party's lien status on the Property.

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AIRCRAFT REGISTRATION BR
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OKLAHOMA CITY
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OKLAHOMA CITY
OKLAHOMA

00000001119

R 065053

SECURITY AGREEMENTDate: June 29, 2004Loan No. 01-0028984-0006315-01**CONVEYANCE RECORDED**

Lender: Cessna Finance Corporation
 220 West Douglas, Suite 300
 P. O. Box 308
 Wichita, Kansas 67201-0308

Borrower(s): POLLARD AIRCRAFT SALES, INC.

Names(s)

2004 AUG 12 PM 1 30800 DOVE CREEK

Address

**FEDERAL AVIATION
ADMINISTRATION**SOUTHLAKE

TX 76092

City

State Zip Code

1. **Definitions.** The words "this Agreement" refer to this Security Agreement, as it may be amended, extended, supplemented, modified or replaced from time to time. The words "Promissory Note" refer to the instrument bearing that name and the same loan number as this Agreement or relating to the Aircraft, as defined below, as the Promissory Note may be amended, renewed, extended, supplemented, modified, rearranged, restructured, refinanced or replaced, including, without limitation, modifications to the **ANNUAL PERCENTAGE RATE** or other credit terms. The words "AMOUNT FINANCED," "FINANCE CHARGE," "ANNUAL PERCENTAGE RATE," and any other capitalized words that are used but not defined in this Agreement, shall have the meanings prescribed for them in the Promissory Note. The words "I," "me," "my" and "mine" mean all who sign this Agreement as Borrower(s). The words "you" and "your(s)" mean Lender and anyone to whom Lender assigns this Agreement. The words "we," "us" and "our(s)" mean both Borrower(s) and Lender. Borrower(s) is/are a corporation.

2. **Security Interest.** To secure the prompt payment of the Promissory Note and all amounts that I may owe under this Agreement, and to secure the full and prompt performance of all obligations under the Promissory Note and this Agreement, as well as to secure all my other indebtedness, obligations and liabilities owed to you (both present and future), however evidenced, arising or created, whether direct or indirect, absolute or contingent, whether of the same kind or character of the Promissory Note or not of the same kind or character, including, without limitation, all notes, guarantees, leases, loans, other financial accommodations and other contracts or agreements between us (both present and future), I grant you a security interest in the following "Aircraft" (including, without limitation, a security interest in all of its installed engines, propellers, equipment and accessories, in all engines, propellers, equipment and accessories added thereto from time to time [accessions], and in all engine, airframe and other logbooks and documents for or relating to the Aircraft) and in all replacements and substitutions therefor and proceeds therefrom:

Manufacturer
BEECH

Model
D55

FAA Reg. No.
N18MD

Serial No.
TE-455

I represent that the following items are now installed on the Aircraft:

KING: KMA-20 AUDIO PANEL; KX-175B NAV/COM; KX-170B NAV/COM; KR-86 ADF; KT-76 TRANSPONDER W/ ENCODER; NORTHSTAR GPS-600; ARGUS 5000 MOVING MAP; WX-900 STORMSCOPE; CENTURY HSI; CENTURY III AUTOPILOT.

The security interest in all "proceeds" of the Aircraft includes, without limitation, a security interest in all cash, trade-in aircraft, and trade-in engines, propellers, equipment and accessories generated by any disposition of the Aircraft, and in all payments under any insurance covering the Aircraft and any of its engines, propellers, equipment, accessories and accessions. It is my intent and I understand and agree that the security interest that I am hereby granting you shall be deemed a "purchase money security interest," as that phrase is used in the Uniform Commercial Code. I understand and agree that you will have a non-purchase money security interest in the Aircraft until I have paid you all amounts that I owe you and performed all of my other obligations under all other contracts and agreements between us (both present and future) or until you expressly release your security interest in the Aircraft in writing, even if I have paid you all that I owe you under the Promissory Note and this Agreement.

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3. Use and Location of Aircraft. I will use the Aircraft primarily for the following purpose (check one):

X Business _____ Agricultural, or _____ Personal, family or household.

I agree not to change the primary use of the Aircraft without your prior written consent.

As of the date of this Agreement, I have notified you in writing of the permanent base of the Aircraft and I will not change the permanent base of the Aircraft without your prior written consent.

4. Promise To Pay and Application of Payments. I promise to pay to you or to your order all amounts that I owe you under the Promissory Note and this Agreement as provided in the Promissory Note and this Agreement. I will make my payments according to the Payment Schedule described in the Promissory Note and in any revised Payment Schedule adopted as described in the Promissory Note. I agree that all payments that you receive from me pursuant to this Agreement will be applied to my obligations to you in the order provided in the Promissory Note.

5. Use and Care of Aircraft. I will use and maintain the Aircraft in accordance with the manufacturer's published recommendations, all applicable laws, regulations and ordinances, and all insurance policies (or applications for insurance) covering the Aircraft. Notwithstanding the following sentence, my failure or refusal to do so, with or without your knowledge, shall constitute a default of this Agreement. If I use or maintain, attempt to use or maintain, or anticipate using or maintaining the Aircraft in any manner not in accordance with all applicable laws, regulations, ordinances and policies, I will, prior to any such use or maintenance, notify you in writing and insure the Aircraft at my expense against war and confiscation risk in an amount not less than what I owe you under the Promissory Note and this Agreement. I will keep the Aircraft, at my expense, in good repair and in an airworthy condition at all times, and I will make the Aircraft available for inspection at your request. I agree that the Aircraft will be available for your reasonable inspection whether or not you make a request to inspect it. I will not fly or permit the Aircraft to be flown outside the continental United States, register the Aircraft in any foreign country or make any alterations or modifications to the Aircraft, without first obtaining your written consent. Notwithstanding the following sentence, doing so shall constitute a default of this Agreement. If I fly or permit the Aircraft to be flown outside the continental United States (whether or not I comply with my obligation to obtain your prior written consent) or anticipate doing so, I will, prior to any such flight, notify you in writing and insure the Aircraft at my expense against war and confiscation risk in an amount not less than what I owe you under the Promissory Note and this Agreement. I agree to keep the Aircraft enrolled and participating in the following maintenance related system(s)/program(s) during the term of this Agreement at my expense: NONE REQUIRED.

6. Disclaimer of Warranties and Waiver of Certain Claims and Defenses. I HEREBY ACKNOWLEDGE THAT I HAVE SELECTED THE AIRCRAFT FOR PURCHASE WITHOUT ANY ASSISTANCE OR INDUCEMENT FROM YOU OR YOUR AGENTS OR EMPLOYEES AND THAT EXCEPT FOR THE ADVANCEMENT OF FUNDS PURSUANT TO THE PROMISSORY NOTE AND THIS AGREEMENT, YOU HAVE NOT BEEN INVOLVED IN THE PURCHASE DECISION OR PURCHASE TRANSACTION. I AGREE THAT YOU HAVE MADE NO WARRANTIES WHATSOEVER CONCERNING THE AIRCRAFT, EXPRESS OR IMPLIED, WHETHER OF TITLE, AIRWORTHINESS, MERCHANTABILITY, CONDITION, DESCRIPTION, DURABILITY, VALUE, FITNESS OR SUITABILITY FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, AND THAT YOU, EXCEPT WHERE PROHIBITED BY APPLICABLE LAW, HEREBY DISCLAIM ALL SUCH WARRANTIES. I ACKNOWLEDGE AND AGREE THAT YOU HAVE NOT AUTHORIZED ANY THIRD PARTY, INCLUDING, WITHOUT LIMITATION, CESSNA AIRCRAFT COMPANY, ITS OFFICERS, AGENTS OR EMPLOYEES, TO MAKE ANY REPRESENTATIONS, WARRANTIES, PROMISES, GUARANTEES, COVENANTS OR AGREEMENTS, ORAL OR WRITTEN, CONCERNING THE AIRCRAFT, THE PROMISSORY NOTE OR THIS AGREEMENT ON YOUR BEHALF, AND FURTHER ACKNOWLEDGE AND AGREE THAT NO SUCH THIRD PARTY IS YOUR AGENT AND THAT YOU SHALL NOT BE BOUND BY ANY SUCH PURPORTED REPRESENTATIONS, WARRANTIES, PROMISES, GUARANTEES, COVENANTS OR AGREEMENTS. IN CONSIDERATION OF THE PROMISSORY NOTE AND THIS AGREEMENT, EXCEPT WHERE PROHIBITED BY APPLICABLE LAW, I COMPLETELY WAIVE AND SURRENDER THE RIGHT TO PURSUE, ASSERT OR INTERPOSE ANY CLAIM OR DEFENSE AGAINST YOU, IN LAW OR IN EQUITY (INCLUDING, WITHOUT LIMITATION, ANY RIGHT TO RECOUPMENT, SETOFF OR COUNTERCLAIM), BASED UPON THE AIRCRAFT'S TITLE, AIRWORTHINESS, MERCHANTABILITY, CONDITION, DESCRIPTION, DURABILITY, VALUE, FITNESS OR SUITABILITY FOR ANY PARTICULAR USE OR PURPOSE, OR UPON ALLEGATIONS THAT YOU ARE SO CLOSELY OR INTIMATELY CONNECTED WITH THE MANUFACTURERS OR PRIOR OWNER(S) OF THE AIRCRAFT OR WITH ANY OTHER THIRD PARTY WHATSOEVER, THAT YOU KNEW OR HAD REASON TO KNOW OF FACTS ABOUT THE AIRCRAFT OR ITS TITLE OR ABOUT MY DEALINGS WITH

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SUCH MANUFACTURERS, PRIOR OWNER(S) OR THIRD PARTIES OR ABOUT THEIR GENERAL BUSINESS PRACTICES) THAT WOULD SUPPORT A CLAIM, COUNTERCLAIM OR DEFENSE BY ME AGAINST SUCH MANUFACTURERS, PRIOR OWNER(S) OR THIRD PARTIES.

7. Ownership and Condition of Aircraft. I am, or concurrent with the transactions contemplated by this Agreement will be, in possession of and the absolute owner of the Aircraft and of the legal and beneficial title to it, free and clear of any liens, charges or other interests on or in the Aircraft, except for the lien created by this Agreement. I acknowledge that you have advised me, and you hereby advise me, to fully satisfy myself regarding the value of and title to the Aircraft before purchasing or otherwise dealing with the Aircraft or entering into this Agreement or the Promissory Note by conducting such title searches and other research as I deem appropriate and by obtaining such legal and other advice and/or title insurance as I deem appropriate, in my sole discretion. I acknowledge and agree that you will not be responsible in any way for any defects in title to the Aircraft, whether or not you have researched the status of title to the Aircraft or shared the results of any such research or your opinions, the opinions of your employees or agents or the opinions of any third parties with me. I promise that the Aircraft is in flyable and airworthy condition and properly registered at the Federal Aviation Administration (the "FAA"). I will keep the Aircraft properly registered in my name at the FAA at all times.

8. Risk of Loss. I agree that I shall bear the entire risk of loss of the Aircraft and that I will pay you all amounts that I owe under the Promissory Note and this Agreement even if the Aircraft is lost, stolen, damaged, destroyed or seized, or is threatened with any such action. I will promptly notify you if the Aircraft becomes lost, stolen, damaged, destroyed or seized, or is threatened with any such action.

9. Taxes and Other Charges. I will promptly pay all taxes, assessments, license and permit fees, fines, repair, storage and fuel bills, and all other charges, liens, claims and expenses on, asserted against or relating to the Aircraft, the Promissory Note or this Agreement when they are due.

10. Insurance. I will keep the Aircraft fully insured at all times, and at my own expense, against all risks to the Aircraft while in flight and while on the ground, including, without limitation, hull coverage and a breach of warranty endorsement in your favor, in an amount not less than what I owe you under the Promissory Note and this Agreement. I agree that all policies of insurance will name you as a loss payee and shall provide that any cancellation or substantial change in coverage shall not be effective as to you until thirty (30) calendar days after your receipt of a written notice from the insurer of the cancellation or change. I also agree that no policy of insurance shall be subject to any offset by any other insurance carried by you or me. I hereby appoint you as my attorney-in-fact to deal directly with the insurer and to obtain information and documents from the insurer and to make proof of loss and claim for and to receive payment of and to execute or endorse all documents, checks or drafts in connection with all policies of insurance on the Aircraft. You shall have the right, but not an obligation, to require that the policies of insurance include a paid premium endorsement and coverage for war and confiscation risk. I understand and agree that I have the right to purchase insurance from the person, agency or company of my choice or to provide insurance through an existing policy of mine, but that the form, content and coverage (including, without limitation, the amount of any deductible or coinsurance) of all insurance policies on the Aircraft and the insurance companies issuing the policies must be acceptable to you. I will promptly deliver to you a complete copy of all insurance policies on the Aircraft and of all endorsements, amendments and replacements thereto that may be issued from time to time. I agree that all proceeds of any insurance on the Aircraft will be paid to you and that you may either use those proceeds to pay for repairs to the Aircraft, if you determine in your discretion that it is repairable, or you may apply those proceeds to the amounts that I owe that are secured by this Agreement and pay any remaining proceeds to me.

11. Failure to Perform. If I fail to promptly perform any of my obligations under the Promissory Note or this Agreement, then you may (but are not required to) perform them on my behalf, in addition to your other rights and remedies under the Promissory Note and this Agreement. I agree to repay you in full on demand for all amounts that you spend in performing my obligations, plus a **FINANCE CHARGE** on those amounts calculated until payment at the applicable **ANNUAL PERCENTAGE RATE** described in the Promissory Note. I also agree that my obligation to repay any amounts that you spend in performing on my behalf under the Promissory Note or this Agreement, and the **FINANCE CHARGE** on those amounts, will be secured by the security interest granted by this Agreement.

12. Evidence of Title and Transfer or Encumbrance of Aircraft. I agree, upon your demand at any time during the term of this Agreement, to furnish evidence satisfactory to you that the records of the FAA show the Aircraft to be registered in my name and that title is free of all security interests, liens and encumbrances, except for the lien of this Agreement, and agree at my expense to take all steps that may be necessary to cause any other ownership or security interests, liens or encumbrances, if any, to be removed. I further agree that I will not in any way sell, lease, transfer, grant a security interest in, or otherwise dispose of the Aircraft or of any of my rights in the Aircraft, or grant or permit to exist any other liens, charges, encumbrances or interests on or in the Aircraft, without first obtaining your express written consent. In the event that I do so (whether or not I comply with my obligation to obtain your prior consent), I will use the proceeds to immediately pay you all sums that I owe you under the Promissory Note and this Agreement, and

under any other contracts or agreements between us (both present and future), and until I have paid you all such amounts, I will hold all proceeds in trust for you and I will not commingle the proceeds with any other funds that I may have or use the proceeds for any other purpose other than as trustee for you.

13. Default. I understand and agree that the occurrence of any one or more of the following events or conditions will constitute a "default" that will automatically entitle you, at your option, to all of your default rights and remedies against me: (a) I fail to make any payment under the Promissory Note, this Agreement or under any other contract or agreement between us (both present and future) promptly when it is due; (b) I fail to perform on time any of my obligations, agreements or promises under the Promissory Note, this Agreement or under any other contract or agreement between us (both present and future); (c) if I am a corporation, limited liability company, partnership or the like, my legal existence is terminated or expires for any reason; (d) I cease doing business as a going concern, file for dissolution or liquidate substantially all of my assets; (e) I become insolvent or unable to pay my debts as they come due, or file or have filed against me any petition for bankruptcy, reorganization, receivership, assignment for the benefit of creditors, or for any similar action, or seek or have any similar relief sought against me; (f) I allow any material adverse change to occur in my financial condition for any reason; (g) I, or any other person, misuse, abandon or destroy the Aircraft or allow the Aircraft to decrease in value (except for normal wear and tear); (h) the Aircraft is seized, levied upon, attached, subjected to any writ or warrant or comes into the possession of any judicial officer, or is threatened with any such action; (i) any of my guarantors, if any, attempts to terminate its guarantee or does or allows to be done any one or more of the occurrences described in this paragraph as an event or occurrence of default; (j) I attempt to assign or transfer an interest in the Aircraft or in any of my rights under this Agreement to another party without your prior written consent; (k) there is any material impairment of your prospects for receipt of payment of all sums due from me under the Promissory Note or this Agreement or under any other contract or agreement between us (both present and future) or of my ability to perform each and every one of my obligations, agreements or promises under the Promissory Note or this Agreement or under any other contract or agreement between us (both present and future) or there is any material impairment of the value or priority of your security interest granted by this Agreement for any reason; (l) there is any material breach of the representations or warranties that I have made in this Agreement or in the Promissory Note; (m) any competing lien or security interest is created or permitted to continue, or any financing statement, security agreement or lien claim is filed against the Aircraft without your prior written consent, even though the competing security interest, lien claim or financing statement is junior to or filed after yours; (n) I fail to keep the Aircraft adequately insured at all times as required by this Agreement or become delinquent in making premium payments for such insurance; (o) I, or any person exercising control over the Aircraft, fail or refuse to allow you to inspect the Aircraft upon demand at any reasonable time; (p) you, in good faith, believe that there is an impairment of the prospect of my complete and timely performance under the Promissory Note, this Agreement or under any other contract or agreement between us (both present and future), or of your ability to protect your interests under this Agreement by reliance on your rights to recover the Aircraft. I also understand and agree that you will not be required to make a formal declaration that one of the foregoing events or conditions of default has occurred, nor will it be necessary for you to give me oral or written notice of a default before you are entitled to exercise your rights and remedies against me.

14. Acceleration of Payment Obligations on Default. If I am in any way in default under the Promissory Note or under this Agreement or if any event or condition of default as described in Paragraph 13 has occurred, I understand and agree that you shall be automatically entitled, at your option, to take possession of the Aircraft and to the full and immediate payment of all amounts that I owe you under the Promissory Note and this Agreement (less any credit that may be required by applicable law for prepayment). I understand and agree that if an event or condition of default occurs, your rights, available at your option, to take possession of the Aircraft and to receive full and immediate payment of all amounts that I owe you under the Promissory Note and this Agreement are not conditioned upon your giving me any notice of the occurrence of the event or condition of default or upon your making an oral or written demand upon me for immediate possession or payment. Notwithstanding any notice of default or demand that you may choose to give me, I agree that I will have no right to cure any default under the Promissory Note or this Agreement unless you agree in writing to give me that right. All amounts that I owe under the Promissory Note or this Agreement will continue to accrue a **FINANCE CHARGE** at the applicable **ANNUAL PERCENTAGE RATE** described in the Promissory Note until I have paid those amounts in full.

15. Additional Collateral; Cross Security and Cross Default. I agree that if at any time during the term of this Agreement you, in good faith, believe that there is an impairment of the prospect of my complete and timely performance of any of my obligations under the Promissory Note or this Agreement or under any other contract or agreement between us (both present and future), or of your ability to protect your interests under this Agreement by reliance on your rights to recover the Aircraft, I will, at your request, provide such additional collateral as you shall require to provide further security for the performance of all of my obligations under the Promissory Note and this Agreement and under any other contract or agreement between us (both present and future). I will execute all documents and instruments that are required to perfect your security interest in such additional collateral. I also agree that the security interest granted by this Agreement and the security interest in any such additional collateral will secure not only all of my debts and obligations to you under the Promissory Note and this Agreement, but also all of my debts and obligations to you under any other contracts or agreements between us (both present and future). I understand and agree that I may enter into future financing agreements with you, and it is my specific intent that any debt or other obligation that I owe you under any such future agreement will

also be secured by the security interest granted by this Agreement and by the security interest in any additional collateral obtained pursuant to this paragraph. I understand and agree that you have no duty to enter into any future financing agreements with me or to make any further advances to me whatsoever. I agree that a default under the Promissory Note or under any other contract or agreement between us (both present and future) will be a default under this Agreement. I also agree that a default under this Agreement will be a default under the Promissory Note and under any other contract or agreement between us (both present and future). I understand and agree that the release of your security interest in any aircraft covered by some other contract or agreement between us (both present and future), which aircraft serves as cross collateral to secure my obligations to you under the Promissory Note and this Agreement or under any other contract or agreement between us (both present and future), shall not in any way waive any of your rights under this Agreement to enforce your security interest granted by this Agreement. I also understand and agree that the release of your security interest granted by this Agreement shall not in any way waive your rights to enforce a security interest granted by any other contract or agreement between us (both present and future) in any other aircraft.

16. Repossession of Aircraft. The references to the "Aircraft" in this Paragraph 16 and in Paragraphs 17 and 18 include any other property that secures my performance under the Promissory Note, this Agreement or under any other contract or agreement between us (both present and future). If I am in any way in default under the Promissory Note, this Agreement or under any other contract or agreement between us (both present and future), you may take the Aircraft without demand or notice to me and without my permission (my rights to demand, notice and consent to repossession being hereby expressly waived) and without any court action or order. You may enter my property or any other property to take the Aircraft, so long as you do so lawfully and peacefully, and you may remove the Aircraft to any place you determine, or you may require me to deliver the Aircraft to you at Wichita, Kansas, or at any other reasonable place you name, and I hereby expressly agree to make such delivery at my expense. In repossessing the Aircraft and in holding and disposing of it after repossession, you will have all of the rights and remedies of a secured party under the Uniform Commercial Code then in effect, in addition to your rights and remedies under this Agreement and the Promissory Note. If the Aircraft contains any property not covered by this Agreement at the time of repossession, I agree that you may take such property provided that you make reasonable efforts to return such property to me after repossession.

17. Sale or Disposition of Repossessed Aircraft. If you repossess the Aircraft, you may sell it at a public or private sale for cash or credit at any place within or without the continental United States, even if the Aircraft is not present at the sale. I agree that a commercially reasonable sale includes, without limitation, selling the Aircraft to the highest cash bidder after you solicit sealed bids from ten (10) or more potential aircraft buyers, listing the Aircraft with a broker, and/or selling the Aircraft in "As-Is, Where-Is" condition when repossessed or after making any repairs you deem necessary. A reasonable time before any sale of the Aircraft, you will send me written notice of the date, time and place of a public sale or the date and time after which a private sale will be held. In no event shall written notice five (5) calendar days in advance of any sale be deemed unreasonable. You may bid for and purchase the Aircraft at any public sale, without giving up any of your rights. I hereby acknowledge your right to execute and deliver to any purchaser of the Aircraft at a sale pursuant to this Agreement, all documents and instruments that may be required to transfer title to the Aircraft to the purchaser. If you choose, you may keep the Aircraft instead of selling it and you will send me written notice that you are doing so, in which case I will not have any further obligations to you under this Agreement.

18. Net Sale Proceeds; Deficiency or Surplus. If you sell the repossessed Aircraft, you may subtract from the sale proceeds all of your expenses of repossessing, transporting, storing, preparing and selling the Aircraft, including, without limitation, the cost of any repairs or refurbishing of the Aircraft that you deem advisable in your sole discretion, all sales commissions, auctioneers' fees, advertising costs, attorneys' fees, court costs, payment of any liens or charges against the Aircraft and all other reasonable expenses incurred by you or on your behalf, to arrive at the "Net Sale Proceeds." If I owe you more under the Promissory Note and this Agreement than the Net Sale Proceeds, I will immediately pay you the deficiency. If I owe you less than the Net Sale Proceeds, I will receive the surplus from you. I agree that you may hold any such surplus until payment in due course without accruing any obligation to pay interest thereon.

19. Reimbursement of Expenses. If you incur any expenses to collect a deficiency or any other amounts that I owe you, or to otherwise enforce or defend any of your rights under the Promissory Note or this Agreement or with respect to the Aircraft, I will reimburse you, hold you harmless and indemnify you for those expenses, including, without limitation, your attorneys' fees, court costs and any other expenses that you incur relating to the Aircraft, and such sums may, in your sole discretion, be added to the AMOUNT FINANCED under the Promissory Note and, if so added, shall bear interest at the applicable ANNUAL PERCENTAGE RATE described in the Promissory Note until I make full reimbursement to you

20. No Waiver by Estoppel. I agree that it is essential to you that I perform all of my obligations under the Promissory Note and this Agreement completely and on time. You will not waive any of your rights under this Agreement or the Promissory Note by accepting any late or partial payments or performances from me, by accepting any substitute performances or by delaying the enforcement of any of your rights on any occasion. I agree that no purported waiver of your rights against me will be effective unless it is expressly granted in a writing signed by you.

21. Assignment of Agreement. I agree that I may not assign or transfer this Agreement, or any of my rights under this Agreement, without first obtaining your written consent, and that any attempted assignment will be void and of no effect. You may assign or transfer this Agreement, or any of your rights under this Agreement, to anyone you choose at any time without my consent. Anyone to whom you assign or transfer this Agreement will have the same rights, immunities and remedies under this Agreement as you have. I will pay all money due under this Agreement to any such assignee without recoupment, setoff or counterclaim, either in law or in equity.

22. Authority, Effect and Benefit of Agreement. If I am a corporation, partnership, limited liability company or the like, I, and the undersigned individual signing on my behalf, represent and warrant that I have full authority to enter into this Agreement and the Promissory Note, and that the execution, delivery and performance hereof and thereof will not violate my charter, articles of organization, by-laws, operating agreement, or similar organizational documents, or any law, regulation or agreement with third parties to which I or my property may be subject, and that all corporate, company or similar organizational action (including, without limitation, director, stockholder, member, management committee, or similar action, if required) has been taken that is necessary or appropriate to make this Agreement and the Promissory Note binding upon me and enforceable in accordance with their respective terms. If I am a trustee, I represent and warrant that I have full authority to enter into this Agreement and the Promissory Note and that the execution, delivery and performance hereof and thereof will not violate any trust agreement or similar document or any law, regulation or agreement with third parties to which I or the property I hold in trust may be subject and that all action has been taken that is necessary or appropriate to make this Agreement and the Promissory Note binding upon me and enforceable in accordance with their respective terms. All of the provisions of this Agreement will be binding on my heirs, legal representatives and successors, and upon anyone to whom I assign or transfer this Agreement (whether or not I comply with my obligation to obtain your prior consent), and will accrue to the benefit of your legal representatives, successors, and to anyone to whom you assign or transfer this Agreement.

23. Entire Agreement; Modification of Agreement. The Promissory Note and this Agreement and any annexes and attachments referenced therein or herein contain our entire agreement, and no oral agreements or statements will be effective or binding on either of us. We agree that the provisions of the Promissory Note and this Agreement can only be amended or changed by a written document signed by both of us, including, without limitation, signatures affixed pursuant to a valid power of attorney.

24. Notices. Any notice that you send me in connection with this Agreement may be sent either by first class U.S. mail, postage prepaid, or by private or government overnight delivery service or by electronic facsimile transmission either to my address shown on this Agreement, or to any other address of which I have notified you in writing, and will be effective when you send the notice, even if my address has changed. I assume full responsibility for notifying you, in writing, of any change in my address.

25. Cumulative Remedies. You may enforce or pursue any one or more of your rights or remedies under the Promissory Note and this Agreement without giving up any other of your rights or remedies. I will not be released from my obligations to you, even if you have repossessed and sold the Aircraft, until I have paid you all amounts and performed all duties that I owe under the Promissory Note and this Agreement.

26. Responsibility for Use, Operation and Maintenance of Aircraft. I agree that I am solely responsible for the use, operation and maintenance of the Aircraft, regardless of who uses, operates or maintains it. If you are sued or are otherwise required to pay any damages or other amounts to anyone because of death, personal injury or property damage or any other loss of any kind whatsoever, caused by any use, operation or maintenance of the Aircraft, I will reimburse you, hold you harmless and indemnify you for all liability, loss, damage or expense, including, without limitation, your expenses in defending any lawsuit or other proceeding, including reasonable attorneys' fees and court or similar costs.

27. Financing Statements and FAA Documents. You may file copies of the Promissory Note and this Agreement with any public authority you deem appropriate. You are also authorized to file any Uniform Commercial Code financing statements relating to the Aircraft and file a copy of this Agreement as a financing statement with any jurisdiction you deem necessary to protect your interests. At your request, I will sign and furnish any additional documents that are needed to properly perfect your security interest, register the Aircraft or file or record this Agreement and any amendments, extensions, supplements, modifications or replacements hereto. I will also reimburse you for your expenses in connection with preparation or filing of financing statements, registering the Aircraft and filing or recording this Agreement and any amendments, modifications, supplements or replacements to this Agreement.

28. Citizenship. I am a citizen of the United States as defined in 49 U.S.C. § 40102(a)(15), as amended (a "Citizen"), or a lawfully admitted permanent resident of the United States or otherwise qualified to register the Aircraft for operation and navigation within the United States. If I am a corporation (other than a corporation that is a Citizen) and I am required by FAA regulations to submit reports to the FAA regarding the use of the Aircraft within the United States, I agree to send you copies of such reports when I send them to the FAA. If I am not a Citizen, I warrant that I have notified you of that fact in writing just prior to the date of this Agreement. If I am a Citizen on the date of this Agreement, but cease to be at any time during the term of this Agreement, I will immediately notify you in writing.

29. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF KANSAS, WHERE IT WILL BE DELIVERED, ACCEPTED, EXECUTED AND PERFORMED IN PART BY YOU, IF YOU ACCEPT IT, AND WHERE IT IS PAYABLE.

30. Invalid Provisions. If any provisions of this Agreement are invalid or cannot be enforced for any reason, the remainder of this Agreement will stay in effect. Any provisions of this Agreement that are contrary to applicable law will be considered to be modified to the extent required to conform with the law, if possible, and otherwise omitted from this Agreement. It is not the intention of either of us to charge or pay a **FINANCE CHARGE** in excess of the amount permitted under applicable law. If some court of competent jurisdiction should determine that the **ANNUAL PERCENTAGE RATE** charged exceeds the maximum permitted **ANNUAL PERCENTAGE RATE**, any excess payment shall be applied to the reduction of the unpaid principal balance of the **AMOUNT FINANCED** or, if the obligation shall have been paid in full, such excess shall be refunded to me

31. Headings and Corrections. The headings in this Agreement are for our convenience only and will not be used to interpret or change the provisions of this Agreement in any way. You may correct patent errors in this Agreement and fill in blanks such as serial and loan numbers, dates and the like.

32. Joint Borrowers. If more than one person has signed this Agreement as Borrower, they are jointly and severally responsible to perform and liable for all obligations under this Agreement, and "I," "me," "my" and "mine" as used in this Agreement mean each and all of them.

33. No Agency or Other Relationships Created. I understand, acknowledge and agree that, except as expressly provided to the contrary in this Agreement, you are not, and will not be, my agent for any purpose whatsoever, including, without limitation, for the purpose of investigating or verifying the condition of or title to the Aircraft. I further understand, acknowledge and agree that I am not your agent for any purpose whatsoever, including, without limitation, for any purpose relating to the care, maintenance or operation of the Aircraft. I also understand, acknowledge, and agree that this Agreement does not create a partnership, joint venture, corporation, limited liability company, or other association between us.

34. No Legal or Tax Advice. I understand and acknowledge that this Agreement, the Promissory Note and any other documents related to this transaction contain legally binding provisions, that I have had the opportunity to consult with an attorney, and that I have either consulted with an attorney or consciously decided not to consult with an attorney. I further understand and acknowledge that this transaction may have federal, state, or local tax implications, that I have had the opportunity to consult with a tax professional, and that I have either consulted with a tax professional or consciously decided not to consult with a tax professional. I also understand and acknowledge that neither you nor your attorneys or accountants have provided me with any legal and/or tax advice and that no attorney-client or other professional relationship exists between us.

NOTICE TO BORROWER(S):

1. DO NOT SIGN THIS AGREEMENT BEFORE READING IT OR IF IT CONTAINS ANY BLANK SPACE.
2. BORROWER IS ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS AGREEMENT.

I HAVE READ THIS ENTIRE AGREEMENT AND HAVE RECEIVED A COPY OF IT.

POLLARD AIRCRAFT SALES, INC.
BORROWER(S)

BY: CESSNA FINANCE CORPORATION, ATTORNEY-IN-FACT

By: [Signature] V.P., Investment Control
(Signature) (Title)

By: _____
(Signature) (Title)

By: _____
(Signature) (Title)

By: _____
(Signature) (Title)

CESSNA FINANCE CORPORATION

By: [Signature] V.P., Investment Control
(Signature) (Title)

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2004 JUL 2 PM 10 21
OKLAHOMA CITY
OKLAHOMA

0 0 0 0 0 0 0 1 1 1 8

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION-MIKE MONRONEY AERONAUTICAL CENTER
AIRCRAFT REGISTRATION APPLICATION

UNITED STATES
REGISTRATION NUMBER **N 18MD**

AIRCRAFT MANUFACTURER & MODEL
BEECH D55

AIRCRAFT SERIAL No.
TE-455

CERT. ISSUE DATE

R AUG 12 2004

FOR FAA USE ONLY

TYPE OF REGISTRATION (Check one box)

- ☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't. ☐ 8. Non-Citizen Corporation

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)

POLLARD AIRCRAFT SALES, INC.

TELEPHONE NUMBER: (**817**) **491-1100**

ADDRESS (Permanent mailing address for first applicant listed.)

800 DOVE CREEK

Number and street:

Rural Route:

P.O. Box:

CITY

STATE

ZIP CODE

SOUTHLAKE

TX

76092

☐ **CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS**
ATTENTION! Read the following statement before signing this application.
This portion MUST be completed.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and / or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY:

- (1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____), or:

CHECK ONE AS APPROPRIATE:

- a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____
- b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records or flight hours are available for inspection at _____

- (2) That the aircraft is not registered under the laws of any foreign country; and

- (3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE

EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE 	TITLE CESSNA FINANCE CORPORATION ATTORNEY-IN-FACT V.P., Investment Control	DATE 06/29/2004
	SIGNATURE Craig A. Ellington	TITLE	DATE
	SIGNATURE	TITLE	DATE

NOTE Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2004 JUL 2 AM 10 21
OKLAHOMA CITY
OKLAHOMA

UNITED STATES OF AMERICA

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION
AIRCRAFT BILL OF SALEFOR AND IN CONSIDERATION OF \$ THE UNDERSIGNED OWNER(S) OF THE
FULL LEGAL AND BENEFICIAL TITLE OF THE AIRCRAFT DESCRIBED AS FOLLOWS:

UNITED STATES

REGISTRATION NUMBER

N 18MD

AIRCRAFT MANUFACTURER & MODEL

Beech D55

AIRCRAFT SERIAL NUMBER

TE-455

DOES THIS

DAY OF

20

HEREBY SELL, GRANT, TRANSFER AND DELIVER ALL RIGHTS, TITLE, AND
INTERESTS IN AND TO SUCH AIRCRAFT UNTO:

CONVEYANCE RECORDED

004 AUG 12 PM 1 30

FEDERAL AVIATION
ADMINISTRATION

NAME AND ADDRESS

(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL)

POLLARD AIRCRAFT SALES, INC.

DEALER CERTIFICATE NUMBER

AND TO

SINGULARLY THE SAID AIRCRAFT FOREVER, EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF

HAVE SET

HAND AND SEAL THIS

DAY OF

20

NAME(S) OF SELLER
(TYPED OR PRINTED)SIGNATURE(S)
(IN INK) (IF EXECUTED FOR CO-
OWNERSHIP, ALL MUST SIGN)TITLE
(TYPED OR PRINTED)

Semrau Aircraft Company

LORNE A. SEMRAU

President

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE
REQUIRED BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

ORIGINAL: TO FAA

AC FORM 8050-2 (9/92) (NSN 0052-00-629-0003) SUPERSEDES PREVIOUS EDITION

041841037259
\$5.00 07/02/2004

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2004 JUL 2 PM 10 21
OKLAHOMA CITY
OKLAHOMA

JUN.23.2004 3:21PM

CESSNA FINANCE CORP. 3166601265

R 0.65051 No.919

P.1

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATIONFORM APPROVED:
OMB No. 04-R0169

THIS FORM SERVES TWO PURPOSES

PART I acknowledges the recording of a security conveyance covering the collateral shown.
PART II is a suggested form of release which may be used to release the collateral from the terms of the conveyance.

CONVEYANCE RECORDED

PART I - CONVEYANCE RECORDATION NOTICE

NAME (last name first) OF DEBTOR

2004 AUG 12 PM 1 30

Semrau Aircraft Company

NAME and ADDRESS OF SECURED PARTY/ASSIGNEE

SEE RECORDED CONVEYANCE

First South Bank

FEDERAL AVIATION

NUMBER

Y001000

ADMINISTRATION

DOC ID

C301 PAGE 1

NAME OF SECURED PARTY'S ASSIGNOR (if assigned)

Do Not Write In This Block
FOR FAA USE ONLYFAA REGISTRA-
TION NUMBER

N18MD

AIRCRAFT
SERIAL NUMBER

Beech D55

AIRCRAFT MFR. (BUILDER and MODEL

TE-455

ENGINE MFR. and MODEL

ENGINE SERIAL NUMBER(S)

PROPELLER MFR. and MODEL

PROPELLER SERIAL NUMBER(S)

THE SECURITY CONVEYANCE DATED January 31, 2002 COVERING THE ABOVE COLLATERAL WAS RECORDED BY THE FAA AIRCRAFT
REGISTRY ON July 15, 2002 AS CONVEYANCE NUMBER Y001000.

FAA CONVEYANCE EXAMINER

PART II - RELEASE - (This suggested release form may be executed by the secured party and returned to the FAA Aircraft Registry when terms of the
conveyance have been satisfied. See below for additional information).THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT HE IS THE TRUE AND LAWFUL HOLDER OF THE NOTE OR
OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE-DESCRIBED
COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE
RETAINED IN THE COLLATERAL BY THE CONVEYANCE IS HEREBY SOLD, GRANTED, TRANSFERRED, AND ASSIGNED TO THE
PARTY WHO EXECUTED THE CONVEYANCE IS HEREBY SOLD, GRANTED, TRANSFERRED, AND ASSIGNED TO THE PARTY WHO
EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED;
PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THIS RELEASE.This form is only intended to be a suggested form of release,
which meets the recording requirements of the Federal
Aviation Act of 1958, and the regulations issued thereunder.
In addition to these requirements, the form used by the
security holder should be drafted in accordance with the
pertinent provisions of local statutes and other applicable
federal statutes. This form may be reproduced. There is no
fee for recording a release. Send to FAA Aircraft Registry,
P.O. Box 25504, Oklahoma City, Oklahoma 73125.

DATE OF RELEASE:

6-24-04

First South Bank

(Name of security holder)

SIGNATURE (in ink)



TITLE

Vice President

ACKNOWLEDGEMENT (If Required by
Applicable Local Law):(A person signing for a corporation must be a corporate officer or hold a
managerial position and must show his title. A person signing for another
should see parts 47 and 49 of the Federal Aviation Regulations (14 CFR).

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2004 JUL 2 PM 10 21
OKLAHOMA CITY
OKLAHOMA

AFFIDAVIT OF DISCLAIMER

CONVEYANCE RECORDED

Manufacturer and Model: Beech D55

Registration No.: N18MC

2004 AUG 12 PM 1 30

Serial No.: TE-455

FEDERAL AVIATION
ADMINISTRATION

This will serve as public notice that Lorne Semrau disclaims any and all right, title or interest in and to the above described aircraft, including, but not limited to, any right, title or interest which may have arisen by virtue of the following:

An undated Aircraft Registration Application filed by Lorne Semrau for the above referenced aircraft filed with the FAA on March 13, 2001.

Dated this 24 day of JUNE, 2004.

WA
SEE RECORDED CONVEYANCE

NUMBER

DOC ID C032 PAGE 5

Lorne Semrau

STATE OF TN
COUNTY OF Madison)

BE IT REMEMBERED, that on this 24 day of June, 2004, before me, a Notary Public in and for said County and State, came Lorne Semrau to me personally known to be the same person(s) who executed the foregoing instrument, and who duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal
the day and year last above written.

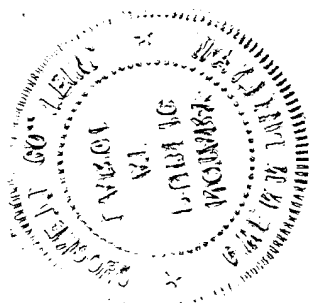
My Commission Expires: 11-29-2004 Notary Public

Notary Public

901-001-2
4/00

041841037259
\$5.00 07/02/2004

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2009 JUL 2 AM 10 21
OKLAHOMA CITY
OKLAHOMA



00000001124

AFFIDAVIT OF DISCLAIMER

CONVEYANCE RECORDED

Manufacturer and Model: Beech D55

Registration No. N186MD 2004 AUG 12 PM 1 30

Serial No.: TE-455

FEDERAL AVIATION
ADMINISTRATION

This will serve as public notice that G & G Aero Serv. Inc., hereby disclaims any and all right, title or interest in and to the above described aircraft, including, but not limited to, any right, title or interest which may have arisen by virtue of the following:

A Claim of Lien by Linda Ayres as owner, authorized representative or agent of G & G Aero-Serv. dated July 19, 1990, in the amount of \$5,119.38 against the above referenced aircraft was filed with the FAA on July 23, 1990, as microfilm number 2054 which Claim of Lien remains unrecorded.

Dated this 24 day of JUNE, 2004

SEE RECORDED CONVEYANCE

NUMBER

DOC ID 0001 PAGE 11

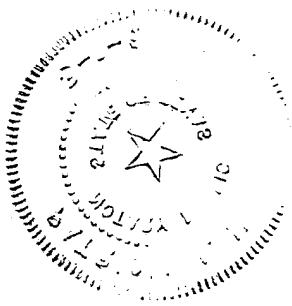
G & G Aero Serv. Inc.

By: Gay L. Bradley President/owner
(Signature) (Title)STATE OF TEXAS)
COUNTY OF LUBBOCK) ss:

BE IT REMEMBERED, that on this 24th day of June, 2004, before me, a Notary Public in and for said County and State, came Gay L. Bradley, to me personally known to be the identical person who executed the within and foregoing instrument, and who duly acknowledged the execution of the same, for and on behalf of, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

Patricia A. Wall
Notary PublicMy Commission Expires: 3-1-05901-001-1
4/00041841037259
\$5.00 07/02/2004



FILED WITH FAA
AIRCRAFT REGISTRATION BR
2004 JUL 2 PM 10 21
OKLAHOMA CITY
OKLAHOMA

CONVEYANCE RECORDED

2004 AUG 12 PM 1 30

AFFIDAVIT OF DISCLAIMER

FEDERAL AVIATION
ADMINISTRATION

Manufacturer and Model: Beech D55

Registration No.: N18MD

Serial No.: TE-455

This will serve as public notice that Linda Ayres disclaims any and all right, title or interest in and to the above described aircraft, including, but not limited to, any right, title or interest which may have arisen by virtue of the following:

A Claim of Lien by Linda Ayres as owner, authorized representative or agent of G & G Aero-Serv. dated July 19, 1990, in the amount of \$5,119.38 against the above referenced aircraft was filed with the FAA on July 23, 1990, as microfilm number 2054 which Claim of Lien remains unrecorded.

Dated this 8th day of July, 2004.

un
SEE RECORDED CONVEYANCE

NUMBER DOC ID COD1 PAGE 11

Linda Ayres
Linda Ayres

STATE OF Texas)
COUNTY OF Lubbock) ss:

BE IT REMEMBERED, that on this 8th day of July, 2004, before me, a Notary Public in and for said County and State, came Linda Ayres to me personally known to be the same person(s) who executed the foregoing instrument, and who duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written



Ann Sage White
Notary Public

My Commission Expires: 11-14-2004

901-001-2
4/00

042021009455
\$5.00 07/20/2004

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2004 JUL 20 AM 10 02
OKLAHOMA CITY
OKLAHOMA



37-5

ADDRESS	
818 W. FOREST ST. JACKSON, TN 38301 TELEPHONE NO.	IDENTIFICATION NO.

CONVEYANCE RECORDED

2002 JUL 15 PM 1 59
ants to Leader identified above a

FEDERAL AVIATION

ADMINISTRATIVE

b. all other present or future evidences of indebtedness, agreements, instruments, guaranties or otherwise of Borrower or Owner to Lender, including future advances **(whether incurred for the same or different purposes than the foregoing);**

c. all renewals, extensions, amendments, modifications, replacements or substitutions to any of the foregoing; and

d. applicable law.

☐ All accounts including, but not limited to, the accounts described on Schedule A attached hereto and incorporated herein by this reference;

☐ All chattel paper including, but not limited to, the chattel paper described on Schedule A attached hereto and incorporated herein by this reference;

☐ All deposit accounts including, but not limited to, any deposit accounts described on Schedule A attached hereto and incorporated herein by this reference;

☐ All documents including, but not limited to, the documents described on Schedule A attached hereto and incorporated herein by this reference;

☐ All equipment, including, but not limited to, the equipment described on Schedule A attached hereto and incorporated herein by this reference;

☐ All fixtures, including, but not limited to, the fixtures located or to be located on the real property described on Schedule B attached hereto and incorporated herein by this reference;

☐ All general intangibles including, but not limited to, the general intangibles described on Schedule A attached hereto and incorporated herein by this reference;

☐ ~~All instruments including, but not limited to, the instruments described on Schedule A attached hereto and incorporated herein by this reference;~~

☐ All inventory including, but not limited to, the inventory described on Schedule A attached hereto and incorporated herein by this reference, and including repossessed and returned goods;

☐ All investment property including, but not limited to, any investment property described on Schedule A attached hereto and incorporated herein by this reference;

☐ All letter-of-credit rights including, but not limited to, any letter-of-credit rights described on Schedule A attached hereto and incorporated herein by this reference;

☐ All as-extracted collateral including, but not limited to, all minerals or the like located on or related to the real property described on Schedule B attached hereto and incorporated herein by this reference;

☐ All standing timber located on the real property described on Schedule B attached hereto and incorporated herein by this reference;

☒ Other: **1968 BEECHCRAFT BARRON 300 HP SER #TE-455, FAA REG # N18MD**

013550921017
\$5.00 12/21/01

4. OWNER'S TAXPAYER IDENTIFICATION. Owner's social security number or federal taxpayer identification number is: 103500794

5. OWNER'S LOCATION. ☐ Owner is an individual and maintains his or her principal residence in the state of:
☒ Owner is a Corporation duly incorporated, registered, formed or organized, validly existing and in good standing under the laws of the state of:
☐ Owner is a _____ and maintains its principal place of business or, if it has more than one place of business, its chief executive office in the state of _____

6. REPRESENTATIONS, WARRANTIES, AND COVENANTS. Owner represents, warrants and covenants to Lender that: 37-4

- (a) Owner is and shall remain the sole owner of the Collateral;
- (b) Neither Owner nor, to the best of Owner's knowledge, any other party has manufactured, used, generated, released, discharged, stored, or disposed of any hazardous waste, toxic substance, or related material (cumulatively "Hazardous Materials") or transported any Hazardous Materials across the property. Owner shall not commit or permit such actions to be taken in the future. The term "Hazardous Materials" shall mean any substance, material, or waste which is or becomes regulated by any governmental authority including, but not limited to: (i) petroleum; (ii) asbestos; (iii) polychlorinated biphenyls; (iv) those substances, materials or wastes designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act or listed pursuant to Section 307 of the Clean Water Act or any amendments or replacements to these statutes or any state statutes covering similar matters; (v) those substances, materials or wastes defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act or any amendments or replacements to that statute or any state statutes covering similar matters; (vi) those substances, materials or wastes defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, or any amendments or replacements to that statute or any state statutes covering similar matters; or (vii) those substances, materials, or wastes defined as "hazardous materials" pursuant to the Hazardous Materials Transportation Act of 1975 and any amendments or replacements to that statute, or any state statute covering similar matters.
- (c) Owner's location (Owner's place of organization, principal place of business or, if more than one place of business, chief executive office, or principal residence) is in the state indicated in paragraph 5. Owner shall not change its state of location without first notifying Lender in writing;
- (d) The Collateral is located and has been located during the four (4) month period prior to the date hereof, at Owner's address described above or any address described on Schedule C attached hereto and incorporated herein by this reference. Owner shall immediately advise Lender in writing of any change in or addition to the foregoing addresses;
- (e) Owner shall not become a party to any restructuring of its form of business or participate in any consolidation, merger, liquidation or dissolution without providing Lender with thirty (30) or more days' prior written notice of such change;
- (f) Owner's exact legal name is as set forth on the first page of this Agreement. Owner shall not change such name or use any trade name without Lender's prior written consent, and shall notify Lender, at least thirty (30) days in advance, of the nature of any intended change of Owner's name, or the use of any trade name, and the proposed effective date of such change;
- (g) The Collateral is and shall at all times remain free of all tax and other liens, security interests, encumbrances and claims of any kind except for those belonging to Lender and those described on Schedule D attached hereto and incorporated herein by this reference. Without waiving the event of default as a result thereof, Owner shall take any action and execute any document needed to discharge the foregoing liens, security interests, encumbrances and claims;
- (h) Owner shall defend the Collateral against all claims and demands of all persons at any time claiming any interest therein;
- (i) Owner will cooperate with Lender in obtaining and maintaining control with respect to all deposit accounts, investment property, letter-of-credit rights and electronic chattel paper constituting the Collateral;
- (j) Owner shall provide Lender with possession, as appropriate, of all chattel paper, documents, instruments and investment property constituting the Collateral, and Owner shall promptly mark all chattel paper, instruments, investment property and documents constituting the Collateral to show that the same are subject to Lender's security interest;
- (k) All of Owner's accounts; chattel paper; deposit accounts; documents; general intangibles; instruments; investment property; letter-of-credit rights; and federal, state, county, and municipal government and other permits and licenses; trusts, liens, contracts, leases, and agreements constituting the Collateral are and shall be valid, genuine and legally enforceable obligations and rights belonging to Owner against one or more third parties and not subject to any claim, defense, set-off or counterclaim of any kind;
- (l) Owner shall not amend, modify, replace, or substitute any account; chattel paper; deposit account; document; general intangible; instrument; investment property; or letter-of-credit right constituting the Collateral without the prior written consent of Lender. Owner shall not create any chattel paper constituting the Collateral without placing a legend on the chattel paper acceptable to Lender indicating that Lender has a security interest in the chattel paper;
- (m) No person shall file an amendment that is a termination statement for a financing statement concerning any of the Collateral without the prior written consent of Lender, except to the extent permitted by the Uniform Commercial Code presently or as hereafter amended or replaced;
- (n) Owner has the right and is duly authorized to enter into and perform its obligations under this Agreement. Owner's execution and performance of these obligations do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may now or hereafter be binding on Owner;
- (o) No action or proceeding is pending against Owner which might result in any material or adverse change in its business operations or financial condition or materially affect the Collateral;
- (p) Owner has not violated and shall not violate any applicable federal, state, county or municipal statute, regulation or ordinance (including but not limited to those governing Hazardous Materials) which may materially and adversely affect its business operations or financial condition or the Collateral;
- (q) Owner shall, upon Lender's request, deposit all proceeds of the Collateral into an account or accounts maintained by Owner or Lender at Lender's institution;
- (r) Owner will, upon receipt, deliver to Lender as additional Collateral all securities distributed on account of the Collateral such as stock dividends and securities resulting from stock splits, reorganizations and recapitalizations; and
- (s) This Agreement and the obligations described in this Agreement are executed and incurred for business and not consumer purposes.

7. SALE OF COLLATERAL. Owner shall not assign, convey, lease, sell, license, exchange or transfer any of the Collateral to any third party without the prior written consent of Lender except for sales of inventory to buyers in the ordinary course of business.

8. FINANCING STATEMENTS AND OTHER DOCUMENTS. Owner shall take all actions and execute all documents required by Lender to attach, perfect and maintain Lender's security interest in the Collateral and establish and maintain Lender's right to receive the payment of the proceeds of the Collateral including, but not limited to, executing any financing statements, fixture filings, continuation statements, notices of security interest and other documents required by the Uniform Commercial Code, presently or as hereafter amended or replaced, and other applicable law. Owner shall pay the costs of filing such documents in all offices wherever filing or recording is deemed by Lender to be necessary or desirable. Lender shall be entitled to perfect its security interest in the Collateral by filing carbon, photographic or other reproductions of this Agreement or the aforementioned documents with any authority required by the Uniform Commercial Code, presently or as hereafter amended or replaced, or other applicable law. Lender may execute and file any financing statements, as well as extensions, renewals and amendments of financing statements in such form as Lender may require to perfect and maintain perfection of any security interest granted in this Agreement, without Owner's signature, or with a copy thereof, to the extent permitted by applicable law.

9. INQUIRIES AND NOTIFICATION TO THIRD PARTIES. Owner hereby authorizes Lender to contact any third party and make any inquiry pertaining to Owner's financial condition or the Collateral. In addition, Lender is authorized to provide oral or written notice of its security interest in the Collateral to any third party.

10. COLLECTION OF INDEBTEDNESS FROM THIRD PARTIES. Lender shall be entitled to notify, and upon the request of Lender, Owner shall notify any account debtor or other third party (including, but not limited to, insurance companies) to pay any indebtedness or obligation owing to Owner and constituting the Collateral (cumulatively "Indebtedness") to Lender whether or not a default exists under this Agreement. Owner shall diligently collect the Indebtedness owing to Owner from its account debtors and other third parties until the giving of such notification. In the event that Owner possesses or receives possession of any instruments or other remittances with respect to the Indebtedness following the giving of such notification or if the instruments or other remittances constitute the prepayment of any Indebtedness or the payment of any insurance proceeds, Owner shall hold such instruments and other remittances in trust for Lender apart from its other property, endorse the instruments and other remittances to Lender, and immediately provide Lender with possession of the instruments and other remittances. Lender shall be entitled, but not required, to collect (by legal proceedings or otherwise), extend the time for payment, compromise, exchange or release any obligor or collateral upon, or otherwise settle any of the Indebtedness whether or not an event of default exists under this Agreement. Lender shall not be liable to Owner for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom.

11. POWER OF ATTORNEY. Owner hereby appoints Lender as its attorney-in-fact to endorse Owner's name on all instruments and other remittances payable to Owner with respect to the Indebtedness, including any items received by Lender in any lockbox, or other documents pertaining to Lender's actions in connection with the Indebtedness. In addition, Lender shall be entitled, but not required, to perform any action or execute any document required to be taken or executed by Owner under this Agreement. Lender's performance of such action or execution of such documents shall not relieve Owner from any obligation or cure any default under this Agreement. The powers of attorney described in this paragraph are coupled with an interest and are irrevocable.

12. USE AND MAINTENANCE OF COLLATERAL. Owner shall use the Collateral solely in the ordinary course of its business, for the usual purposes intended by the manufacturer (if applicable), with due care, and in compliance with the laws, ordinances, regulations, requirements and rules of all federal, state, county and municipal authorities including environmental laws and regulations and insurance policies. Owner shall not make any alterations, additions or improvements to the Collateral without the prior written consent of Lender. Without limiting the foregoing, all alterations, additions and improvements made to the Collateral shall be subject to the security interest belonging to Lender, shall not be removed without the prior written consent of Lender, and shall be made at Owner's sole expense. Owner shall take all actions and make any repairs or replacements needed to maintain the Collateral in good condition and working order.

37-3

13. LOSS OR DAMAGE. Owner shall bear the entire risk of any loss, theft, destruction or damage (cumulatively "Loss or Damage") to all or any part of the Collateral. In the event of any Loss or Damage, Owner will either restore the Collateral to its previous condition, replace the Collateral with similar property acceptable to Lender in its sole discretion, or pay or cause to be paid to Lender the decrease in the fair market value of the affected Collateral. Lender has no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral.

14. INSURANCE. The Collateral will be kept insured for its full value against all hazards including loss or damage caused by fire, collision, theft or other casualty. If the Collateral consists of a motor vehicle, Owner will obtain comprehensive and collision coverage in amounts at least equal to the actual cash value of the vehicle with deductibles not to exceed \$ n/a. Insurance coverage obtained by Owner shall be from a licensed insurer subject to Lender's approval. Owner shall assign to Lender all rights to receive proceeds of insurance not exceeding the amount owed under the obligations described above, and direct the insurer to pay all proceeds directly to Lender. The insurance policies shall require the insurance company to provide Lender with at least thirty (30) days' written notice before such policies are altered or cancelled in any manner. The insurance policies shall name Lender as a loss payee and provide that no act or omission of Owner or any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Collateral. In the event Owner fails to acquire or maintain insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage upon the Collateral and charge the insurance cost as an advance of principal under the promissory note. Owner shall furnish Lender with evidence of insurance indicating the required coverage. Lender may act as attorney-in-fact for Owner in making and settling claims under insurance policies, cancelling any policy or endorsing Owner's name on any draft or negotiable instrument drawn by any insurer.

15. INDEMNIFICATION. Lender shall not assume or be responsible for the performance of any of Owner's obligations with respect to the Collateral under any circumstances. Owner shall immediately provide Lender with written notice of and indemnify and hold Lender and its shareholders, directors, officers, employees and agents harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action, actions, suits and other legal proceedings (cumulatively "Claims") pertaining to its business operations or the Collateral including, but not limited to, those arising from Lender's performance of Owner's obligations with respect to the Collateral. Owner, upon the request of Lender, shall hire legal counsel to defend Lender from such Claims, and pay the attorneys' fees, legal expenses and other costs to the extent permitted by applicable law, incurred in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Owner's cost.

16. TAXES AND ASSESSMENTS. Owner shall execute and file all tax returns and pay all taxes, licenses, fees and assessments relating to its business operations and the Collateral (including, but not limited to, income taxes, personal property taxes, withholding taxes, sales taxes, use taxes, excise taxes and workers' compensation premiums) in a timely manner.

17. INSPECTION OF COLLATERAL AND BOOKS AND RECORDS. Owner shall allow Lender or its agents to examine, inspect and make abstracts and copies of the Collateral and Owner's books and records pertaining to Owner's business operations and financial condition or the Collateral during normal business hours. Owner shall provide any assistance required by Lender for these purposes. All of the signatures and information pertaining to the Collateral or contained in the books and records shall be genuine, true, accurate and complete in all respects. Owner shall note the existence of Lender's security interest in its books and records pertaining to the Collateral.

18. DEFAULT. Owner shall be in default under this Agreement in the event that Owner, Borrower or any guarantor:

- (a) fails to make any payment under this Agreement or any other indebtedness to Lender when due;
- (b) fails to perform any obligation or breaches any warranty or covenant to Lender contained in this Agreement or any other present or future written agreement regarding this or any other indebtedness to Lender;
- (c) provides or causes any false or misleading signature or representation to be provided to Lender;
- (d) allows the Collateral to be destroyed, lost or stolen, damaged in any material respect, or subjected to seizure or confiscation;
- (e) seeks to revoke, terminate or otherwise limit its liability under any continuing guaranty;
- (f) permits the entry or service of any garnishment, judgment, tax levy, attachment or lien against Owner, any guarantor, or any of their property;
- (g) dies, becomes legally incompetent, is dissolved or terminated, ceases to operate its business, becomes insolvent, makes an assignment for the benefit of creditors, or becomes the subject of any bankruptcy, insolvency or debtor rehabilitation proceeding;
- (h) allows the Collateral to be used by anyone to transport or store goods, the possession, transportation, or use of which is illegal; or
- (i) causes Lender in good faith to deem itself insecure for any reason; or if Lender for any reason should in good faith deem itself insecure.

19. RIGHTS OF LENDER ON DEFAULT. If there is a default under this Agreement, Lender shall be entitled to exercise one or more of the following remedies without notice or demand (except as required by law):

- (a) to declare the Obligations immediately due and payable in full;
- (b) to collect the outstanding Obligations with or without resorting to judicial process;
- (c) to change Owner's mailing address, open Owner's mail, and retain any instruments or other remittances constituting the Collateral contained therein;
- (d) to take possession of any Collateral in any manner permitted by law;
- (e) to apply for and obtain, as of right without notice and upon ex parte application, the appointment of a receiver for the Collateral without regard to Owner's financial condition or solvency, the adequacy of the Collateral to secure the payment or performance of the obligations, or the existence of any waste to the Collateral;
- (f) to require Owner to deliver and make available to Lender any Collateral at a place reasonably convenient to Owner and Lender;
- (g) to sell, lease or otherwise dispose of any Collateral and collect any deficiency balance with or without resorting to legal process;
- (h) to set-off Owner's obligations against any amounts due to Owner including, but not limited to, monies, instruments, and deposit accounts maintained with Lender; and
- (i) to exercise all other rights available to Lender under any other written agreement or applicable law.

Lender's rights are cumulative and may be exercised together, separately, and in any order. If notice to Owner of intended disposition of Collateral is required by law, Lender will provide reasonable notification of the time and place of any sale or intended disposition as required under the Uniform Commercial Code, presently or as hereafter amended or replaced. Lender has no obligation to clean up or otherwise prepare the Collateral for sale. Lender may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. In the event that Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of a prejudgment remedy in an action against Owner, Owner waives the posting of any bond which might otherwise be required. Lender's remedies under this paragraph are in addition to those available at common law, such as setoff.

20. APPLICATION OF PAYMENTS. Whether or not a default has occurred under this Agreement, all payments made by or on behalf of Owner and all credits due to Owner from the disposition of the Collateral or otherwise may be applied against the amounts paid by Lender (including attorneys' fees and legal expenses) in connection with the exercise or protection of its rights or remedies described in this Agreement and any interest thereon and then to the payment of the remaining Obligations in whatever order Lender chooses.

21. REIMBURSEMENT OF AMOUNTS EXPENDED BY LENDER. Owner shall reimburse Lender for all amounts (including attorneys' fees and legal expenses) expended by Lender in the performance of any action required to be taken by Owner or the exercise of any right or remedy belonging to Lender under this Agreement, together with interest thereon at the lower of the highest rate described in any promissory note or credit agreement executed by Borrower or Owner or the highest rate allowed by law from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations, shall be secured by the Collateral identified in this Agreement and shall be payable upon demand.

22. ASSIGNMENT. Owner shall not be entitled to assign any of its rights, remedies or obligations described in this Agreement without the prior written consent of Lender. Consent may be withheld by Lender in its sole discretion. Lender shall be entitled to assign some or all of its rights and remedies described in this Agreement without notice to or the prior consent of Owner in any manner.

23. MODIFICATION AND WAIVER. The modification or waiver of any of Owner's Obligations or Lender's rights under this Agreement must be contained in a writing signed by Lender. Lender may perform any of Owner's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Owner's Obligations under this Agreement shall not be affected if Lender extends, increases, amends, compromises, exchanges, fails to exercise, impairs or releases any of the Borrower's Obligations or the Obligations of any Owner or third party or any of its rights against any Owner, Borrower, third party or collateral. Owner waives any right it may have to require Lender to pursue any third person for any of the Obligations.

24. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of Owner and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees, and devisees.

25. NOTICES. Any notice or other communication to be provided under this Agreement shall be in writing and sent to the parties at the addresses described in this Agreement or such other address as the parties may designate in writing from time to time.

26. SEVERABILITY. If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid.

27. **APPLICABLE LAW.** This Agreement shall be governed by the laws of the state identified in Lender's address, except to the extent that the Uniform Commercial Code, presently or as hereafter amended or replaced, provides for the application of the law of the state of Owner's location, as indicated in paragraph 5. Unless applicable law provides otherwise, Owner consents to the jurisdiction and venue of any court located in such state selected by Lender in the event of any legal proceeding pertaining to the negotiation, execution, performance or enforcement of any term or condition contained in this Agreement or any related document and agrees not to commence or seek to remove such legal proceeding in or to a different court. 37-2

28. **COLLECTION COSTS.** If Lender hires an attorney to assist in collecting any amount due or enforcing or protecting any right or remedy under this Agreement, Owner agrees to pay on demand Lender's attorneys' fees and collection costs.

29. **MISCELLANEOUS.** This Agreement is executed for commercial purposes. Owner shall supply information regarding Owner's business operations and financial condition or the Collateral in the form and manner as requested by Lender from time to time. All information furnished by Owner to Lender shall be true, accurate and complete in all respects. Owner and Lender agree that time is of the essence. Owner waives presentment, demand for payment, notice of dishonor and protest except as required by law. All references to Owner in this Agreement shall include all parties signing below except Lender. If there is more than one Owner, their obligations shall be joint and several. This Agreement shall remain in full force and effect until Lender provides Owner with written notice of termination. This Agreement and any related documents represent the complete and integrated understanding between Owner and Lender pertaining to the terms and conditions of those documents.

30. **WAIVER OF JURY TRIAL.** LENDER AND OWNER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE OBLIGATIONS REFERENCED HEREIN, THIS AGREEMENT AND ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER MAKING THE LOAN EVIDENCED BY THE PROMISSORY NOTES AND AGREEMENTS.

31. **LOCKBOX, COLLATERAL ACCOUNT.** If Lender so requests at any time (whether or not Owner is in default of this Agreement), Owner will direct each of its account debtors to make payments due under the relevant account or chattel paper directly to a special lock box to be under the control of Lender. Owner hereby authorizes and directs Lender to deposit into a special collateral account to be established and maintained with Lender all checks, drafts and cash payments received in said lock box. All deposits in said collateral account shall constitute proceeds of Collateral and shall not constitute payment of any Obligation. At its option, Lender may, at any time, apply finally collected funds on deposit in said collateral account to the payment of the Obligations in such order of application as Lender may determine, or permit Owner to withdraw all or any part of the balance on deposit in said collateral account. If a collateral account is so established, Owner agrees that Owner will promptly deliver to Lender, for deposit into said collateral account, all payments on accounts and chattel paper received by Owner. All such payments shall be delivered to Lender in the form received (except for Owner's endorsement if necessary). Until so deposited, all payments on accounts and chattel paper received by Owner shall be held in trust by Owner for and as the property of Lender and shall not be commingled with any funds or property of Owner.

32. **ADDITIONAL TERMS:**

Owner acknowledges that Owner has read, understands, and agrees to the terms and conditions of this Agreement.

Dated: **JANUARY 31, 2002**

LENDER: **FIRST SOUTH BANK**

T. Patrick Carrington
PAT CARRINGTON
SENIOR VICE PRESIDENT

OWNER:

OWNER: **SEMRAU AIRCRAFT COMPANY**

Lorne Semrau
LORNE SEMRAU
OWNER/PRESIDENT

OWNER:

OWNER:

OWNER:

OWNER:

0 0 0 0 0 0 0 0 1 3 4

0 0 0 0 0 0 SCHEDULE A 2 6

37-1

1968 BEECHCRAFT BARRON 300 HP SER #TE-455 FAA REG. #N18MD

SCHEDULE B

SCHEDULE C

SCHEDULE D

FILED WITH FAA
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APR 21 PM 1 07
FILED WITH
AIRCRAFT REGISTRATION
APR 21 PM 1 07
OKLAHOMA CITY
OKLAHOMA CITY
OKLAHOMA CITY

THIS FORM SERVES TWO PURPOSES

PART I acknowledges the recording of a security conveyance covering the collateral shown.

PART II is a suggested form of release which may be used to release the collateral from the terms of the conveyance.

PART I CONVEYANCE RECORDATION NOTICE

NAME (last name first) OF DEBTOR

DR LORNE SEMRAU

NAME and ADDRESS OF SECURED PARTY/ASSIGNEE

FIRST SOUTH BANK
1862 HWY 45 BYPASS
JACKSON TN 38305



NAME OF SECURED PARTY'S ASSIGNOR (if assigned)

Do Not Write In This Block
FOR FAA USE ONLY

FAA REGISTRATION NUMBER
N18MD

AIRCRAFT SERIAL NUMBER
TE-455

AIRCRAFT MFR. (BUILDER) and MODEL
BEECH D55

ENGINE MFR. and MODEL

ENGINE SERIAL NUMBER(S)

PROPELLER MFR. and MODEL

PROPELLER SERIAL NUMBER(S)

THE SECURITY CONVEYANCE DATED 1/31/2001 COVERING THE ABOVE COLLATERAL WAS FILED WITH

THE CIVIL AVIATION REGISTRY ON 7/30/2001 + 12-21-01 AS CONVEYANCE NUMBER NOT RECORDED

Sheila Huggins *Sheila Huggins*
LEGAL INSTRUMENTS EXAMINER

PART II - RELEASE - (This suggested release form may be executed by the secured party and returned to the Civil Aviation Registry when terms of the conveyance have been satisfied. See below for additional information.)

THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT THEY ARE THE TRUE AND LAWFUL HOLDER OF THE NOTE OR OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE DESCRIBED COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE RETAINED IN THE COLLATERAL BY THE CONVEYANCE IS HEREBY SOLD, GRANTED TRANSFERRED, AND ASSIGNED TO THE PARTY WHO EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED; PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THE RELEASE.

This form is only intended to be a suggested form of release, which meets the recording requirements of the Federal Aviation Act of 1958, and the regulations issued thereunder. In addition to these requirements, the form used by the security holder should be drafted in accordance with the pertinent provisions of local statutes and other applicable federal statutes. This form may be reproduced. There is no fee for recording a release. Send to Aircraft Registration Branch, P.O. Box 25504, Oklahoma City, Oklahoma 73125.

DATE OF RELEASE 3/26/02

FIRST SOUTH BANK

(Name of security holder)

SIGNATURE (In Ink)

TITLE

(A person signing for a corporation must be a corporate officer or hold a managerial position and must show his title. A person signing for another should see parts 47 and 49 of the Federal Aviation Regulations (14 CFR))

ACKNOWLEDGMENT (If Required By Applicable Local Law):

36-8

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AIRCRAFT REGISTRATION
02 APR 3 AM 10 22
OKLAHOMA CITY
OKLAHOMA



MEMBER F.D.I.C.
1862 Highway 45 Bypass
Jackson, Tennessee 38305
(901) 668-2265
"LENDER"

0 0 0 0 0 0 0 1 9 7 4

SECURITY AGREEMENT FOR AIRCRAFT

32-7

BORROWER		OWNER OF COLLATERAL	
DR. LORNE SEMRAU		DR. LORNE SEMRAU	
ADDRESS		ADDRESS	
818 W. FOREST JACKSON, TN 38301		818 W. FOREST JACKSON, TN 38301	
TELEPHONE NO.	IDENTIFICATION NO.	TELEPHONE NO.	IDENTIFICATION NO.
	310-64-8314		310-64-8314

1. **SECURITY INTEREST.** For good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties, Owner of Collateral ("Owner") grants to Lender identified above a continuing security interest in the Collateral described below to secure the obligations described in this Agreement.

2. **OBLIGATIONS.** The Collateral shall secure the payment and performance of all of Borrower's and Owner's present and future, joint and/or several, direct or indirect, absolute or contingent, express or implied, indebtedness (including costs of collection, legal expenses and attorneys' fees, incurred by Lender upon the occurrence of a default under this Agreement, in collecting or enforcing payment of such indebtedness, or preserving, protecting or realizing on the Collateral described herein), liabilities, obligations and covenants (cumulatively "Obligations") to Lender including (without limitation) those arising under or pursuant to:

(a) this Agreement and the following promissory notes and agreements:

INTEREST RATE	PRINCIPAL AMOUNT/ CREDIT LIMIT	FUNDING/ AGREEMENT DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
9.750%	\$133,650.00	01/31/01	01/31/02		582680

(b) all other present or future evidences of indebtedness, agreements, instruments, guaranties or otherwise of Borrower or Owner to Lender (whether incurred for the same or different purposes than the foregoing);

(c) all renewals, extensions, amendments, modifications, replacements or substitutions to any of the foregoing; and

(d) applicable law.

3. **COLLATERAL.** The Collateral shall consist of all of the following-described property and Owner's rights, title and interest in such property whether now or hereafter existing or now owned or hereafter acquired by Owner and wherever located (collectively the "Collateral"):

YEAR	MANUFACTURER	MODEL	DESCRIPTION	MANUFACTURER SERIAL NO.	F.A.A REGISTRATION NO.
1968	BEECHCRAFT	BARRON	300 HP CONV.	TE-455	N18MD

Together with all engines, avionics, electronic equipment, propellers, equipment, parts, components, instruments, and accessories installed in, appurtenant to, or delivered therewith, including, but not limited to, the following specifically described items:

All of the foregoing is referred to as the "Aircraft."

The Collateral shall also include:

- (a) all books, maintenance and other records, inspection reports, and airworthiness certificates related to the Aircraft;
- (b) all rents, accounts, accounts receivable, contract rights, chattel paper, general intangibles, and monies arising out of or related to the use, lease, rental, sale or other disposition of the Aircraft;
- (c) all accessions, accessories, additions, amendments, attachments, modifications, replacements and substitutions to any of the above;
- (d) all proceeds and products of any of the above; and
- (e) all policies of insurance pertaining to any of the above as well as any proceeds and unearned premiums pertaining to such policies.

4. **OWNER'S TAXPAYER IDENTIFICATION.** Owner's social security number or federal taxpayer identification number is:

32-4

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AIRCRAFT REGISTRATION BR
2001 JUL 30 PM 3 04
OKLAHOMA CITY
OKLAHOMA

5. **RESIDENCY/LEGAL STATUS** Owner is an individual and a resident of the state of Tennessee 36-5
Owner is a: ☐ Corporation; ☐ Partnership; ☐ Non-Profit Association; ☐ Limited Liability Company; duly organized, validly-existing
and in good standing under the laws of the state of: n/a

6. REPRESENTATIONS, WARRANTIES, AND COVENANTS. Owner represents, warrants and covenants to Lender that:

- (a) Owner is and shall remain the sole owner of the Collateral. Owner is the registered owner of the Aircraft pursuant to a proper registration under the Federal Aviation Act of 1958, as amended, and Owner qualifies, and shall continue to qualify, in all respects as a citizen of the United States, as defined in the Act. Owner has not registered, nor will Owner register or permit to be registered, the Aircraft under the laws of any foreign country;
- (b) Owner's chief executive office, chief place of business, office where its business records relating to the Collateral and the Collateral are located, or residence is the address identified above and have been such during the four (4) month period prior to the date hereof. Owner's other executive offices, places of business, locations of its business records, or domiciles are described below. Owner shall immediately advise Lender in writing of any change in or addition to these addresses:
- (c) Owner shall not become a party to any restructuring of its form of business or participate in any consolidation, merger, liquidation or dissolution without providing Lender with thirty (30) or more days' prior written notice of such change;
- (d) Owner shall notify Lender of the nature of any intended change of Owner's name, or the use of any trade name, and the effective date of such change;
- (e) The Collateral is and shall at all times remain free of all tax and other liens, security interests, encumbrances and claims of any kind except for those belonging to Lender or otherwise agreed to by Lender in writing, in its sole discretion. Without waiving the event of default as a result thereof, Owner shall take any action and execute any document needed to discharge any liens, security interests, encumbrances and claims;
- (f) Owner shall defend the Collateral against all claims and demands of all persons at any time claiming any interest therein;
- (g) Owner will hangar or keep the aircraft at its home airport. Except for routine use, Owner shall not change the location of any Collateral without the prior written consent of Lender;
- (h) Owner shall provide Lender with possession of all chattel paper and instruments constituting the Collateral, and Owner shall promptly mark all chattel paper, instruments, and documents constituting the Collateral to show that the same are subject to Lender's security interest;
- (i) All of Owner's accounts or contract rights; chattel paper; documents; general intangibles; instruments; federal, state, county, and municipal government and other permits and licenses; and trusts, liens, contracts, leases, and agreements constituting the Collateral are and shall be valid, genuine and legally enforceable obligations and rights belonging to Owner against one or more third parties and not subject to any claim, defense, set-off or counterclaim of any kind;
- (j) Owner shall not amend, modify, replace, or substitute any account or contract right; chattel paper; document; general intangible; or instrument constituting the Collateral without the prior written consent of Lender, which shall not be unreasonably withheld;
- (k) Owner has the right and is duly authorized to enter into and perform its obligations under this Agreement. Owner's execution and performance of these obligations do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may now or hereafter be binding on Owner;
- (l) No action or proceeding is pending against Owner which might result in any material adverse change in its business operations or financial condition or materially affect the Collateral;
- (m) Owner has not violated and shall not violate any applicable federal, state, county or municipal statute, regulation or ordinance (including but not limited to those governing Hazardous Materials) which may materially and adversely affect its business operations or financial condition or the Collateral;
- (n) Owner shall, upon Lender's request, deposit all proceeds of the Collateral into an account or accounts maintained by Owner or Lender at Lender's institution;
- (o) Owner shall keep current, accurate and complete logs, manuals, books and records relating to the Collateral.

7. SALE OF COLLATERAL. Owner shall not assign, convey, lease, sell or transfer any of the Collateral to any third party without the prior written consent of Lender.

8. FINANCING STATEMENTS AND OTHER DOCUMENTS. Owner shall at any time and from time to time take all actions and execute all documents required by Lender to attach, perfect and maintain Lender's security interest in the Collateral and establish and maintain Lender's right to receive the payment of the proceeds of the Collateral including, but not limited to, executing any financing statements, fixture filings, continuation statements, notices of security interest and other documents required by the Uniform Commercial Code, Federal Aviation Act of 1958, and other applicable law. Such actions shall include filing all such documents with the FAA, Oklahoma City, Oklahoma, and furnishing evidence of same to Lender. Further, Owner shall perform all acts as necessary to comply with and/or remain subject to the Geneva Convention on the International Recognition of Rights in Aircraft of June 19, 1948 (effective September 17, 1953), the laws and regulations of the FAA, and the laws and regulations of the states and foreign countries in which the Aircraft may operate or be located, or over which it may fly. Owner shall pay the costs of filing such documents in all offices wherever filing or recording is deemed by Lender to be necessary or desirable. Lender shall be entitled to perfect its security interest in the Collateral by filing carbon, photographic or other reproductions of the aforementioned documents with any authority required by the Uniform Commercial Code, Federal Aviation Act of 1958, or other applicable law. Lender may, and Owner authorizes Lender to, execute and file any financing statements, as well as extensions, renewals, continuations and amendments of financing statements in such form as Lender may require to perfect and maintain perfection of any security interest granted in this Agreement.

9. INQUIRIES AND NOTIFICATION TO THIRD PARTIES. Owner hereby authorizes Lender to contact any third party and make any inquiry pertaining to Owner's financial condition or the Collateral. In addition, Lender is authorized to provide oral or written notice of its security interest in the Collateral to any third party, and following a default hereunder, to make payment to Lender.

10. COLLECTION OF INDEBTEDNESS FROM THIRD PARTIES. Lender shall be entitled to notify, and upon the request of Lender, Owner shall notify any account debtor or other third party (including, but not limited to, insurance companies) to pay any indebtedness or obligation owing to Owner and constituting the Collateral (cumulatively "Indebtedness") to Lender whether or not a default exists under this Agreement. Owner shall diligently collect the Indebtedness owing to Owner from its account debtors and other third parties until the giving of such notification. In the event that Owner possesses or receives possession of any instruments or other remittances with respect to the Indebtedness following the giving of such notification or if the instruments or other remittances constitute the prepayment of any Indebtedness or the payment of any insurance proceeds, Owner shall hold such instruments and other remittances in trust for Lender apart from its other property, endorse the instruments and other remittances to Lender, and immediately provide Lender with possession of the instruments and other remittances. Lender shall be entitled, but not required, to collect (by legal proceedings or otherwise), extend the time for payment, compromise, exchange or release any obligor or collateral upon, or otherwise settle any of the Indebtedness whether or not an event of default exists under this Agreement. Lender shall not be liable to Owner for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom.

11. POWER OF ATTORNEY. Owner hereby appoints Lender as its attorney-in-fact to endorse Owner's name on all instruments and other remittances payable to Owner with respect to the Indebtedness or other documents pertaining to Lender's actions in connection with the Indebtedness. In addition, Lender shall be entitled, but not required, to perform any action or execute any document required to be taken or executed by Owner under this Agreement. Lender's performance of such action or execution of such documents shall not relieve Owner from any obligation or cure any default under this Agreement. The powers of attorney described in this paragraph are coupled with an interest and are irrevocable.

12. USE AND MAINTENANCE OF AIRCRAFT. Owner shall use the Aircraft for the usual purposes intended by the manufacturer (if applicable), with due care, and in compliance with the laws, ordinances, regulations, requirements and rules of all federal, state, county and municipal authorities including environmental laws and regulations and insurance policies. Owner shall not make any alterations, additions or improvements to the Aircraft without the prior written consent of Lender. Without limiting the foregoing, all alterations, additions and improvements made to the Aircraft shall be subject to the security interest belonging to Lender, shall not be removed without the prior written consent of Lender, and shall be made at Owner's sole expense. Owner shall take all actions and make any repairs or replacements needed to maintain the Aircraft in good order and in airworthy condition, in accordance with all manufacturers' manuals and service bulletins, whether mandatory or nonmandatory. Owner shall cause to be performed all Airworthiness Directives and Federal Aviation Regulations and Special Federal Aviation Regulations related to airworthiness. Owner shall be responsible for all regular inspections of the Aircraft and any licensing or relicensing of the Aircraft in accordance with FAA or other governmental requirements. Owner shall cause to be conspicuously displayed at all times aboard the Aircraft a current Certificate of Airworthiness issued by the FAA. Owner agrees that, should any part, component, attachment, instrument, or accessory of the Aircraft be replaced, whether for maintenance purposes or otherwise, its replacement shall be of substantially the same type and value, and Lender's lien and security interest shall encumber same.

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OKLAHOMA CITY
OKLAHOMA

36-3
13. **LOSS OR DAMAGE.** Owner shall bear the entire risk of any loss, theft, destruction or damage (cumulatively "Loss or Damage") to all or any part of the Collateral. In the event of any Loss or Damage, Owner will either restore the Aircraft to its previous condition, replace the Aircraft with similar property acceptable to Lender in its sole discretion, or pay or cause to be paid to Lender the decrease in the fair market value of the affected Collateral.

14. **INSURANCE.** Owner shall maintain liability insurance covering operation of the Aircraft, in an amount as determined by Lender, but in any event not less than \$ 250,000. The Aircraft will be kept insured for its full value against all hazards including loss or damage caused by fire, collision, theft or other casualty. Insurance coverage obtained by Owner shall be from a licensed insurer subject to Lender's approval. Owner shall assign to Lender all rights to receive proceeds of insurance not exceeding the amount owed under the obligations described above, and direct the insurer to pay all proceeds directly to Lender. The insurance policies shall require the insurance company to provide Lender with at least thirty (30) days' written notice before such policies are altered or cancelled in any manner. The insurance policies shall name Lender as a loss payee and provide that no act or omission of Owner or any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Aircraft. In the event Owner fails to acquire or maintain insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage upon the Aircraft and charge the insurance cost as an advance of principal under the promissory note. Owner shall furnish Lender with evidence of insurance indicating the required coverage. Lender may act as attorney-in-fact for Owner in making and settling claims under insurance policies, cancelling any policy or endorsing Owner's name on any draft or negotiable instrument drawn by any insurer. Owner shall permit no use of the Aircraft, for commercial purposes or otherwise, for which it has not procured insurance.

15. **INDEMNIFICATION.** Lender shall not assume or be responsible for the performance of any of Owner's obligations with respect to the Collateral under any circumstances. Owner shall immediately provide Lender with written notice of and indemnify and hold Lender and its shareholders, directors, officers, employees and agents harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action, actions, suits and other legal proceedings (cumulatively "Claims") pertaining to the Obligations, its business operations or the Collateral including, but not limited to, those arising from Lender's performance of Owner's obligations with respect to the Collateral. Owner, upon the request of Lender, shall hire legal counsel to defend Lender from such Claims, and pay the attorneys' fees, legal expenses and other costs to the extent permitted by applicable law, incurred in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Owner's cost.

16. **TAXES AND ASSESSMENTS.** Owner shall execute and file all tax returns and pay all taxes, licenses, fees and assessments relating to its business operations and the Collateral (including, but not limited to, income taxes, personal property taxes, withholding taxes, sales taxes, use taxes, excise taxes and workers' compensation premiums) in a timely manner.

17. **INSPECTION OF COLLATERAL AND BOOKS AND RECORDS.** Owner shall allow Lender or its agents to examine and inspect the Collateral and Owner's books and records pertaining to Owner's business operations and financial condition or the Collateral during normal business hours. Owner shall provide any assistance required by Lender for these purposes. All of the signatures and information pertaining to the Collateral or contained in the books and records shall be genuine, true, accurate and complete in all respects. Owner shall note the existence of Lender's security interest in its books and records pertaining to the Collateral.

18. **DEFAULT.** Owner shall be in default under this Agreement in the event that Owner, Borrower or any guarantor:

- (a) fails to make any payment under this Agreement or any other indebtedness to Lender when due;
- (b) fails to perform any obligation or breaches any warranty or covenant to Lender contained in this Agreement or any other present or future written agreement regarding this or any other indebtedness to Lender;
- (c) provides or causes any false or misleading signature or representation to be provided to Lender;
- (d) allows the Collateral to be destroyed, lost or stolen, damaged in any material respect, or subjected to seizure or confiscation;
- (e) seeks to revoke, terminate or otherwise limit its liability under any continuing guaranty;
- (f) permits the entry or service of any garnishment, judgment, tax levy, attachment or lien against Owner, any guarantor, or any of their property;
- (g) dies, becomes legally incompetent, is dissolved or terminated, ceases to operate its business, becomes insolvent, makes an assignment for the benefit of creditors, or becomes the subject of any bankruptcy, insolvency or debtor rehabilitation proceeding;
- (h) allows the Collateral to be used by anyone to transport or store goods, the possession, transportation, or use of which, is illegal; or
- (i) causes Lender in good faith to deem itself insecure due to a significant decline in the value of the Collateral.

19. **RIGHTS OF LENDER ON DEFAULT.** If there is a default under this Agreement, Lender shall be entitled to exercise one or more of the following remedies without notice or demand (except as required by law):

- (a) to declare the Obligations immediately due and payable in full;
- (b) to collect the outstanding Obligations with or without resorting to judicial process;
- (c) to retain any instruments or other remittances constituting the Collateral;
- (d) to take possession of any Collateral in any manner permitted by law;
- (e) to apply for and obtain, without notice and upon ex parte application, the appointment of a receiver for the Collateral without regard to Owner's financial condition or solvency, the adequacy of the Collateral to secure the payment or performance of the obligations, or the existence of any waste to the Collateral;
- (f) to require Owner to deliver and make available to Lender any Collateral at a place reasonably convenient to Owner and Lender;
- (g) to sell, lease or otherwise dispose of any Collateral and collect any deficiency balance with or without resorting to legal process;
- (h) to set-off Owner's obligations against any amounts due to Owner including, but not limited to, monies, instruments, and deposit accounts maintained with Lender; and
- (i) to exercise all other rights available to Lender under any other written agreement or applicable law.

Lender's rights are cumulative and may be exercised together, separately, and in any order. If notice to Owner of intended disposition of Collateral is required by law, Lender will provide reasonable notification of the time and place of any sale or intended disposition as required under the Uniform Commercial Code. In the event that Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of a prejudgment remedy in an action against Owner, Owner waives the posting of any bond which might otherwise be required. Upon default, Owner shall segregate all proceeds of Collateral and hold such proceeds in trust for Lender. Lender's remedies under this paragraph are in addition to those available at common law, such as setoff.

20. **APPLICATION OF PAYMENTS.** Whether or not a default has occurred under this Agreement, all payments made by or on behalf of Owner and all credits due to Owner from the disposition of the Collateral or otherwise may be applied against the amounts paid by Lender (including attorneys' fees and legal expenses) in connection with the exercise of its rights or remedies described in this Agreement and any interest thereon and then to the payment of the remaining Obligations in whatever order Lender chooses.

21. **REIMBURSEMENT OF AMOUNTS EXPENDED BY LENDER.** Owner shall reimburse Lender for all amounts (including attorneys' fees and legal expenses) expended by Lender in the performance of any action required to be taken by Owner or the exercise of any right or remedy belonging to Lender under this Agreement, together with interest thereon at the lower of the highest rate described in any promissory note or credit agreement executed by Borrower or Owner or the highest rate allowed by law from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations, shall be secured by the Collateral identified in this Agreement and shall be payable upon demand.

22. **ASSIGNMENT.** Owner shall not be entitled to assign any of its rights, remedies or obligations described in this Agreement without the prior written consent of Lender. Consent may be withheld by Lender in its sole discretion. Lender shall be entitled to assign some or all of its rights and remedies described in this Agreement without notice to or the prior consent of Owner in any manner.

23. **MODIFICATION AND WAIVER.** The modification or waiver of any of Owner's Obligations or Lender's rights under this Agreement must be contained in a writing signed by Lender. Lender may perform any of Owner's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Owner's Obligations under this Agreement shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or releases any of the obligations belonging to any Owner or third party or any of its rights against any Owner, third party or collateral.

24. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and inure to the benefit of Owner and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees, and devisees.

25. **NOTICES.** Any notice or other communication to be provided under this Agreement shall be in writing and sent to the parties at the addresses described in this Agreement or such other address as the parties may designate in writing from time to time.

26. **SEVERABILITY.** If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid.

36-2

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2001 JUL 30 PM 3 04
OKLAHOMA CITY
OKLAHOMA

36-1
27. **APPLICABLE LAW.** This Agreement shall be governed by the laws of the state indicated in Lender's address. Owner consents to the jurisdiction and venue of any court located in the state indicated in Lender's address in the event of any legal proceeding pertaining to the negotiation, execution, performance or enforcement of any term or condition contained in this Agreement or any related document and agrees not to commence or seek to remove such legal proceeding in or to a different court.

28. **COLLECTION COSTS.** If Lender hires an attorney to assist in collecting any amount due or enforcing any right or remedy under this Agreement, Owner agrees to pay Lender's attorneys' fees and collection costs.

29. **MISCELLANEOUS.** Owner shall supply information regarding Owner's business operations and financial condition or the Collateral in the form and manner as requested by Lender from time to time. All information furnished by Owner to Lender shall be true, accurate and complete in all respects. Owner and Lender agree that time is of the essence. Owner waives presentment, demand for payment, notice of dishonor and protest except as required by law. All references to Owner in this Agreement shall include all parties signing below except Lender. This Agreement shall be binding upon the heirs, successors and assigns of Owner and Lender. If there is more than one Owner, their obligations shall be joint and several. This Agreement shall remain in full force and effect until Lender provides Owner with written notice of termination. This Agreement and any related documents represent the complete and integrated understanding between Owner and Lender pertaining to the terms and conditions of those documents.

30. **HOME AIRPORT.** Except for routine use the Collateral will be kept at its home airport of: _____

31. **USE OF AIRCRAFT.** Owner shall permit no use of the Aircraft which may subject the Aircraft to confiscation or seizure under the laws of the United States, the various states, or any foreign country.

32. **WAIVER OF PERSONAL SERVICE OF ANY PROCESS.** Service may be made by certified or registered mail at the address set forth herein. Owner shall appear on or answer within thirty (30) days of receipt of service. If Owner fails to appear, Owner shall be deemed in default and judgment may be entered.

33. **WAIVER OF JURY TRIAL.** LENDER AND OWNER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE PROMISSORY NOTE, THIS AGREEMENT AND ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER MAKING THE LOAN EVIDENCED BY THE PROMISSORY NOTE.

34. **ADDITIONAL TERMS:**

Owner acknowledges that Owner has read, understands, and agrees to the terms and conditions of this Agreement.

Dated: **JANUARY 31, 2001**

LENDER: **FIRST SOUTH BANK**

T. Ditch Carrington SRP
FAT CARRINGTON
SENIOR VICE PRESIDENT

OWNER:

OWNER: **DR. LORNE SEMRAH**

OWNER:

OWNER:

OWNER:

OWNER:

OWNER:

OWNER:

36

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2001 JUL 30 PM 3 04
OKLAHOMA CITY
OKLAHOMA

3 0 0 2 0 0 0 1 4 9 3

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION MIKE MONRONEY AERONAUTICAL CENTER AIRCRAFT REGISTRATION APPLICATION	
UNITED STATES REGISTRATION NUMBER	N 18MD
AIRCRAFT MANUFACTURER & MODEL BEECHCRAFT D-55	
AIRCRAFT SERIAL No. TE-455	

CERT. ISSUE DATE

HH MAR 25 2002

FOR FAA USE ONLY

TYPE OF REGISTRATION (Check one box)

☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't ☐ 6. Non-Citizen Corporation

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)

SEMRAU AIRCRAFT COMPANY
818 W. FOREST AVE.
JACKSON, TN 38301

TELEPHONE NUMBER: (901) 664-0044

ADDRESS (Permanent mailing address for first applicant listed.)

Number and street: 818 W. FOREST AVE.

Rural Route:

P.O. Box

CITY	STATE	ZIP CODE
JACKSON	TENNESSEE	38301

☐ **CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS**
ATTENTION! Read the following statement before signing this application.
This portion MUST be completed.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY:

(1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____), or:

CHECK ONE AS APPROPRIATE:

a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____

b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records or flight hours are available for inspection at _____

(2) That the aircraft is not registered under the laws of any foreign country; and

(3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE

EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE

NOTE Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

FLYING TIME EXTENDED 120 DAYS FROM S FEB 01 2002

app 7-30-01
#1973

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FILED WITH FAA
AIRCRAFT REGISTRATION BR
2001 DEC 21 AM 10 00
OKLAHOMA CITY
OKLAHOMA

RECEIVED 12-21-01

UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT DES-
CRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER **N 18MD**

AIRCRAFT MANUFACTURER & MODEL

BEECHCRAFT D-55
AIRCRAFT SERIAL No.

AIRCRAFT SERIAL No.

TE-455

DOES THIS 28 TH DAY OF JANUARY 2008
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:

CONVEYANCE
RECORDED

2002 MAR 25 PM 2 19

Do Not Write In This Block
FOR FAA USE ONLY.

**FEDERAL BUREAU OF INVESTIGATION
ADMINISTRATION**

NAME AND ADDRESS
(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL)

PURCHASER

SEMRAU AIRCRAFT CO.
818 W. FOREST AVE.
JACKSON, TENN. 38301

DEALER CERTIFICATE NUMBER 01-1307

AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS DAY OF 19

NAME (S) OF SELLER
(TYPED OR PRINTED)

**SIGNATURE (S)
(IN INK) (IF EXECUTED
FOR CO-OWNERSHIP, ALL MUST
SIGN.)**

TITLE
(TYPE OR PRINTED)

THE BEST

Ronald L. Winningham
Arkay Aero LLC
James K. Davis
Arkay Aero, LLC

1049
Rogers, Howard
James Davis

member

MEMBER

010721323073
\$5.00 03/13/2001

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

ORIGINAL: TO FAA

Boos Hq. 7-30-01 # 1972
Rtd

34

FILED WITH FAA
2001 DEC 21 PM 10 00
Oklahoma City
AIRCRAFT REGISTRATION BR
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Oklahoma City
Oklahoma
Oklahoma

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION-MIKE MONRONEY AERONAUTICAL CENTER
AIRCRAFT REGISTRATION APPLICATION

UNITED STATES
REGISTRATION NUMBER **N18MD**

AIRCRAFT MANUFACTURER & MODEL
BEECHCRAFT D-55

AIRCRAFT SERIAL No.
TE-455

CERT. ISSUE DATE

33-1

FOR FAA USE ONLY

TYPE OF REGISTRATION (Check one box)

☒ 1. Individual ☐ 2. Partnership ☐ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't ☐ 8. Non-Citizen Corporation

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)

SEMRAU, LORNE

TELEPHONE NUMBER: ()

ADDRESS (Permanent mailing address for first applicant listed.)

Number and street: **818 W. FOREST**

Rural Route:

P.O. Box

CITY JACKSON	STATE TENNESSEE	ZIP CODE 38301
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☐ **CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS**
ATTENTION! Read the following statement before signing this application.
This portion MUST be completed.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY:

(1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____). or:

CHECK ONE AS APPROPRIATE:

- a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____
- b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records or flight hours are available for inspection at _____

(2) That the aircraft is not registered under the laws of any foreign country; and

(3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE

EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE

NOTE Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

Rejct Ltr

Dated 3-13-01

#

FILED WITH FAA
AIRCRAFT REGISTRATION BR
2001 MAR 13 PM 2 43
OKLAHOMA CITY
OKLAHOMA

32-1

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION-MIKE MONRONEY AERONAUTICAL CENTER AIRCRAFT REGISTRATION APPLICATION		0-6-0	2-9
UNITED STATES REGISTRATION NUMBER N18MD		CERT. ISSUE DATE	
AIRCRAFT MANUFACTURER & MODEL BEECHCRAFT D-55		NOV 28 2000	
AIRCRAFT SERIAL No. TE-455		FOR FAA USE ONLY	

TYPE OF REGISTRATION (Check one box)

- ☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't. ☐ 8. Non-Citizen Corporation

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)

ARKAY AERO, LLC

TELEPHONE NUMBER: **(865) 482-7858**

ADDRESS (Permanent mailing address for first applicant listed.)

Number and street: **560-A Oak Ridge Turnpike**

Rural Route:

P.O. Box:

CITY Oak Ridge	STATE Tennessee	ZIP CODE 37830
--------------------------	---------------------------	--------------------------

- ☐ **CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS**
ATTENTION! Read the following statement before signing this application.
This portion MUST be completed.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and /or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY:

- (1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____), or:

CHECK ONE AS APPROPRIATE:

- a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____
- b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records or flight hours are available for inspection at _____

- (2) That the aircraft is not registered under the laws of any foreign country; and
- (3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE

EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK	SIGNATURE <i>Ronald L. Winningham</i> Ronald L. Winningham	TITLE Member	DATE 10/15/00
	SIGNATURE <i>James K. Davis</i> James K. Davis	TITLE Member	DATE 10/15/00
	SIGNATURE	TITLE	DATE

NOTE Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

~~002991515542~~
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OKLAHOMA CITY
OKLAHOMA

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FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

AIRCRAFT BILL OF SALE

31-1

FOR AND IN CONSIDERATION OF \$1.00 THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT DES-
CRIBED AS FOLLOWS:

1 2 8
3 0 6 8 8

UNITED STATES
REGISTRATION NUMBER **N18MD**

AIRCRAFT MANUFACTURER & MODEL
Beechcraft D-55

AIRCRAFT SERIAL No.
TE-455

**CONVEYANCE
RECORDED**

DOES THIS **15th** DAY OF **October** **2000**
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:

Nov 28 4 05 PM '00

Do Not Write In This Block
FOR FAA USE ONLY

NAME AND ADDRESS
(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL)

**FEDERAL AVIATION
ADMINISTRATION**

PURCHASER

**Arkay Aero, LLC
560-A Oak Ridge Turnpike
Oak Ridge, Tennessee 37830**

DEALER CERTIFICATE NUMBER

AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF I HAVE SET MY HAND AND SEAL THIS **15TH** DAY OF **OCT** **2000**

SELLER

NAME (S) OF SELLER
(TYPED OR PRINTED)

SIGNATURE (S)
(IN INK) (IF EXECUTED
FOR CO-OWNERSHIP, ALL MUST
SIGN)

TITLE
(TYPED OR PRINTED)

JORDAN AERO MARINE, INC.

JORDAN KLEIN - PR.

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING, HOWEVER, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

002971515543
55.00 10/23/2000

ORIGINAL: TO FAA

OKLAHOMA CITY
OKLAHOMA

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ALCOHOLIC BEVERAGE
DIVISION

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UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION-MIKE MONRONEY AERONAUTICAL CENTER AIRCRAFT REGISTRATION APPLICATION	
UNITED STATES REGISTRATION NUMBER	N-18MD.
AIRCRAFT MANUFACTURER & MODEL	BEECH - D-55
AIRCRAFT SERIAL No.	TE-455

CERT. ISSUE DATE

I AUG 7 1996
FOR FAA USE ONLY

TYPE OF REGISTRATION (Check one box)

☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't. ☐ 8. Non-Citizen Corporation

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)

JORDAN Aero MARINE INC.

TELEPHONE NUMBER: (352) 288-6060

ADDRESS (Permanent mailing address for first applicant listed.)

Number and street: 10197 S.E. 144TH PLACE

Rural Route:

P.O. Box:

CITY

STATE

ZIP CODE

Summerfield

FLA.

34491

☐ **CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS**
ATTENTION! Read the following statement before signing this application.
This portion MUST be completed.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION**I/WE CERTIFY:**

- (1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____), or:

CHECK ONE AS APPROPRIATE:

- a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____
- b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records or flight hours are available for inspection at _____

- (2) That the aircraft is not registered under the laws of any foreign country; and

- (3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE

EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE PRES -	DATE 8-2-96
	SIGNATURE	TITLE	DATE

NOTE Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

ISSUED TEMP CERT OF
REG TO EXPIRE 9-6-96
T 963791

3-4-7

OKLAHOMA
OKLAHOMA
LITTLE ROCK
7 05 PM 30



SUBMITTED BY

RECEIVED

AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF \$ 1,000.00 THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT DES-
CRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER N-18MD

AIRCRAFT MANUFACTURER & MODEL

Boeing - D-55

AIRCRAFT SERIAL No.

TE-455

CONVEYANCE
RECORDED

DOES THIS 2ND DAY OF Aug - 19 96

HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:

7 7 31 AM '96
Do Not Write In This Block
FOR FAA USE ONLY

PURCHASER

NAME AND ADDRESS

(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL.)

Jordan Aero Marine Inc -
10197 S.E. 144TH PLACE -
Summerfield, FLA. 34491

DEALER CERTIFICATE NUMBER

AND TO Wife EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS DAY OF 19

SELLER

NAME (S) OF SELLER
(TYPED OR PRINTED)

SIGNATURE (S)
(IN INK) (IF EXECUTED
FOR CO-OWNERSHIP, ALL MUST
SIGN.)

TITLE
(TYPED OR PRINTED)

Access The World
INC.

Donald S. Smith
Donald S. Smith

Pres.

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING, HOWEVER, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

962181406021
\$ 5.00 08/05/1996

ORIGINAL: TO FAA

SUBMITTED BY
AIRCRAFT REGISTRY
FILED 2:00
081021133e
TITLE SERVICE
AUG 5 2 05 PM '96
OKLAHOMA
OKLAHOMA

AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF \$100,000+00 THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT DES-
CRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER N 18 MD

AIRCRAFT MANUFACTURER & MODEL
BEECH D-55

AIRCRAFT SERIAL No.
TE 455

DOES THIS 2ND DAY OF AUG 1996
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:

CONVEYANCE
RECORDED

AUG 7 7 33 AM '96

FILED
DO NOT Write In This Block
FOR FAA USE ONLY

PURCHASER

NAME AND ADDRESS
(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL.)

AERO STAR WORLD, INC
4 TOWER CIRCLE
DOTHAN, AL 36303

DEALER CERTIFICATE NUMBER

AND TO THEIR EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF I HAVE SET MY HAND AND SEAL THIS 2ND DAY OF AUG 1996

SELLER

NAME (S) OF SELLER
(TYPED OR PRINTED)

SIGNATURE (S)
(IN INK) (IF EXECUTED
FOR CO-OWNERSHIP, ALL MUST
SIGN.)

TITLE
(TYPED OR PRINTED)

VK LEASING, INC

Henry Van Kesteren
HENRY VAN KESTEREN

PRES.

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

ORIGINAL: TO FAA

OKLAHOMA
 AUG 5 2 03 PM '38
 AIRCRAFT
 FIELD
 C. J. ...

SUBMITTED BY

 TITLE SERVICE

27-1

CERT. ISSUE DATE

II MAY 20 1996
FOR FAA USE ONLYUNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION-MIKE MONRONEY AERONAUTICAL CENTER
AIRCRAFT REGISTRATION APPLICATIONUNITED STATES
REGISTRATION NUMBER **N 18MD**

AIRCRAFT MANUFACTURER & MODEL

BEECH D-55

AIRCRAFT SERIAL No.

TE-455

TYPE OF REGISTRATION (Check one box)

- ☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't ☐ 8. Non-citizen Corporation

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)

V K Leasing, Inc.
Blue Hanger Gate 5
Albert Whitted Airport
St. Petersburg, FL
33701

TELEPHONE NUMBER: (813) 898-1921

ADDRESS (Permanent mailing address for first applicant listed.)

Number and street:

Rural Route:

CITY

St. Petersburg,

STATE

FL

P.O. Box:

ZIP CODE

33701

☐ **CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS**
ATTENTION! Read the following statement before signing this application. This portion MUST be completed.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY:

- (1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____), or:

CHECK ONE AS APPROPRIATE:

a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____

b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records or flight hours are available for inspection at _____

- (2) That the aircraft is not registered under the laws of any foreign country; and

- (3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE

EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE <i>Henry Van Kesteren</i>	TITLE	DATE 4/24/96
	SIGNATURE Henry Van Kesteren,	TITLE President	DATE
	SIGNATURE	TITLE	DATE

NOTE: Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

Temp Cert #T 962294 issued to expire 06/19/96

[Faint, illegible text]

CONVEYANCE
FILED WITH FAA
AIRCRAFT REGISTRY
MAY 2 2 54 PM '96
OKLAHOMA CITY
OKLAHOMA

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION
AIRCRAFT BILL OF SALE

26-1
FORM APPROVED
OMB NO. 2120-0042

FOR AND IN CONSIDERATION OF \$ THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT DES-
CRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER **N 18MD**

AIRCRAFT MANUFACTURER & MODEL
BEECH D55

AIRCRAFT SERIAL No.
TE-455

11005680

CONVEYANCE
RECORDED

DOES THIS **24th** DAY OF **April** 19**96**
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:

96 MAY 20 PM 3 05

Do Not Write In This Block
FOR FAA USE ONLY

NAME AND ADDRESS
(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL)

PURCHASER
V. K. Leasing, Inc.
Blue Hanger Gate 5
Albert Whitted Airport
St. Petersburg, FL 33701

DEALER CERTIFICATE NUMBER

AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS DAY OF 19

SELLER	NAME (S) OF SELLER (TYPED OR PRINTED)	SIGNATURE (S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)
	CHICOT LEASING, INC		
	David L. Glosup, President		

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA REGISTRATION, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

961231338491
\$ 5.00 05/02/1996

ORIGINAL: TO FAA

RECEIVED
MAY 11 1966

CONVEYANCE
FILED WITH FAA
AIRCRAFT REGISTRY
MAY 2 2 PM 54
OKLAHOMA CITY
OKLAHOMA

25-1

THIS FORM SERVES TWO PURPOSES

PART I acknowledges the recording of a security conveyance covering the collateral shown.
PART II is a suggested form of release which may be used to release the collateral from the terms of the conveyance.

PART I CONVEYANCE RECORDATION NOTICE

NAME (last name first) OF DEBTOR

CHICOT LEASING, INC., OWNER - GLOSUP AVIATION, INC., BORROWER

NAME and ADDRESS OF SECURED PARTY/ASSIGNEE

BANK OF LAKE VILLAGE
P. O. BOX 727
LAKE VILLAGE, AR 71653

NAME OF SECURED PARTY'S ASSIGNOR (if assigned)

II005679

CONVEYANCE
RECORDED

'96 MAY 20 PM 3 05

FEDERAL AVIATION
ADMINISTRATION

Do Not Write In This Block
FOR FAA USE ONLY

FAA REGISTRATION NUMBER

18MD

AIRCRAFT SERIAL NUMBER

TE-455

AIRCRAFT MFR. (BUILDER) and MODEL

BEECH D55

ENGINE MFR. and MODEL

ENGINE SERIAL NUMBER(S)

PROPELLER MFR. and MODEL

PROPELLER SERIAL NUMBER(S)

THE SECURITY CONVEYANCE DATED

January 4, 1996

COVERING THE ABOVE COLLATERAL WAS RECORDED BY

THE CIVIL AVIATION REGISTRY ON

February 29, 1996

AS CONVEYANCE NUMBER

UU013913

Shirley E. Buecker

LEGAL INSTRUMENTS EXAMINER

PART II - RELEASE - (This suggested release form may be executed by the secured party and returned to the Civil Aviation Registry when terms of the conveyance have been satisfied. See below for additional information.)

THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT THEY ARE THE TRUE AND LAWFUL HOLDER OF THE NOTE OR OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE DESCRIBED COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE RETAINED IN THE COLLATERAL BY THE CONVEYANCE IS HEREBY SOLD, GRANTED TRANSFERRED, AND ASSIGNED TO THE PARTY WHO EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED: PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THE RELEASE.

This form is only intended to be a suggested form of release, which meets the recording requirements of the Federal Aviation Act of 1958, and the regulations issued thereunder. In addition to these requirements, the form used by the security holder should be drafted in accordance with the pertinent provisions of local statutes and other applicable federal statutes. This form may be reproduced. There is no fee for recording a release. Send to Aircraft Registration Branch, P.O. Box 25504, Oklahoma City, Oklahoma 73125.

DATE OF RELEASE:

4/24/96

BANK OF LAKE VILLAGE

(Name of security holder)

SIGNATURE (In Ink)

TITLE Anita P. Norcross, Asst. VP

(A person signing for a corporation must be a corporate officer or hold a managerial position and must show his title. A person signing for another should see parts 47 and 49 of the Federal Aviation Regulations (14 CFR)).

ACKNOWLEDGMENT (If Required By Applicable Local Law):

AC Form 8050-41 (11/95) (NSN 0052-00-543-9001)

CONVEYANCE
FILED WITH FAA
AIRCRAFT REGISTRY
96 MAY 2 PM 2 54
OKLAHOMA CITY
OKLAHOMA



BANK OF LAKE VILLAGE
P. O. BOX 727
101 MAIN
LAKE VILLAGE, ARKANSAS 71653
(501) 265-2241
"LENDER"

MEMBER
FDIC



0 0 0 0 0 0 0 1 1 7 5

30013913

24-3

SECURITY AGREEMENT FOR AIRCRAFT

BORROWER		OWNER OF COLLATERAL	
GLOSUP AVIATION, INC.		CHICOT LEASING, INC.	
ADDRESS		ADDRESS	
P.O. BOX 814 LAKE VILLAGE, AR 71653 TELEPHONE NO.		P.O. BOX 814 LAKE VILLAGE, AR 71653 TELEPHONE NO.	
IDENTIFICATION NO. 71-0781131		IDENTIFICATION NO. 71-0720939	

1. SECURITY INTEREST. For good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties, Owner of Collateral ("Owner") grants to Lender identified above a continuing security interest in the Collateral described below to secure the obligations described in this Agreement.

2. OBLIGATIONS. The Collateral shall secure the payment and performance of all of Borrower's and Owner's present and future, joint and/or several, direct or indirect, absolute or contingent, express or implied, indebtedness (including costs of collection, legal expenses and attorneys' fees, incurred by Lender upon the occurrence of a default under this Agreement, in collecting or enforcing payment of such indebtedness, or preserving, protecting or realizing on the Collateral described herein), liabilities, obligations and covenants (cumulatively "Obligations") to Lender including those arising under or pursuant to:

(a) this Agreement and the following promissory notes and agreements:

INTEREST RATE	PRINCIPAL AMOUNT/ CREDIT LIMIT	FUNDING/ AGREEMENT DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
10.250%	\$400,000.00	01/04/96	01/04/01		

- (b) ☒ and all other evidences of indebtedness, agreements, instruments, guaranties, or otherwise of Borrower or Owner to Lender of every type or description that now exists or arises in the future (whether incurred for the same or different purposes than the foregoing);
- (c) all renewals, extensions, amendments, modifications, replacements or substitutions to any of the foregoing; and
- (d) applicable law.

3. COLLATERAL. The Collateral shall consist of all of the following-described property and Owner's rights, title and interest in such property whether now or hereafter existing or now owned or hereafter acquired by Owner and wherever located (collectively the "Collateral"):

YEAR	MANUFACTURER	MODEL	DESCRIPTION	MANUFACTURER SERIAL NO.	F.A.A REGISTRATION NO.
	BARRON	355		TE455	N18MD

Together with all engines, avionics, electronic equipment, propellers, equipment, parts, components, instruments, and accessories installed in, appurtenant to, or delivered therewith, including, but not limited to, the following specifically described items:

960121325324
\$ 5.00 01/12/1996

All of the foregoing is referred to as the "Aircraft."

The Collateral shall also include:

- (a) all books, maintenance and other records, inspection reports, and airworthiness certificates related to the Aircraft;
- (b) all rents, accounts, accounts receivable, contract rights, chattel paper, general intangibles, and monies arising out of or related to the use, lease, rental, sale or other disposition of the Aircraft;
- (c) all accessions, accessories, additions, amendments, attachments, modifications, replacements and substitutions to any of the above;
- (d) all proceeds and products of any of the above; and
- (e) all policies of insurance pertaining to any of the above as well as any proceeds and unearned premiums pertaining to such policies.

4. OWNER'S TAXPAYER IDENTIFICATION. Owner's social security number or federal taxpayer identification number is:
71-0720939

5. **RESIDENCY/LEGAL STATUS.** Owner is an individual and a resident of the state of: n/a
Owner is a: Corporation; duly organized, validly existing and in good standing under the laws of the state of: Arkansas

6. **REPRESENTATIONS, WARRANTIES, AND COVENANTS.** Owner represents, warrants and covenants to Lender that: 24-2

- (a) Owner is and shall remain the sole owner of the Collateral. Owner is the registered owner of the Aircraft pursuant to a proper registration under the Federal Aviation Act of 1958, as amended, and Owner qualifies, and shall continue to qualify, in all respects as a citizen of the United States, as defined in the Act. Owner has not registered, nor will Owner register or permit to be registered, the Aircraft under the laws of any foreign country;
- (b) Owner's chief executive office, chief place of business, office where its business records relating to the Collateral and the Collateral are located, or residence is the address identified above and have been such during the four (4) month period prior to the date hereof. Owner's other executive offices, places of business, locations of its business records, or domiciles are described below. Owner shall immediately advise Lender in writing of any change in or addition to the these addresses:
- (c) Owner shall not become a party to any restructuring of its form of business or participate in any consolidation, merger, liquidation or dissolution without providing Lender with thirty (30) or more days' prior written notice of such change;
- (d) Owner shall notify Lender of the nature of any intended change of Owner's name, or the use of any trade name, and the effective date of such change;
- (e) The Collateral is and shall at all times remain free of all tax and other liens, security interests, encumbrances and claims of any kind except for those belonging to Lender or otherwise agreed to by Lender in writing, in its sole discretion. Without waiving the event of default as a result thereof, Owner shall take any action and execute any document needed to discharge any liens, security interests, encumbrances and claims;
- (f) Owner shall defend the Collateral against all claims and demands of all persons at any time claiming any interest therein;
- (g) Owner will hangar or keep the aircraft at its home airport. Except for routine use, Owner shall not change the location of any Collateral without the prior written consent of Lender;
- (h) Owner shall provide Lender with possession of all chattel paper and instruments constituting the Collateral, and Owner shall promptly mark all chattel paper, instruments, and documents constituting the Collateral to show that the same are subject to Lender's security interest;
- (i) All of Owner's accounts or contract rights; chattel paper; documents; general intangibles; instruments; federal, state, county, and municipal government and other permits and licenses; and trusts, liens, contracts, leases, and agreements, constituting the Collateral are and shall be valid, genuine and legally enforceable obligations and rights belonging to Owner against one or more third parties and not subject to any claim, defense, set-off or counterclaim of any kind;
- (j) Owner shall not amend, modify, replace, or substitute any account or contract right; chattel paper; document; general intangible; or instrument constituting the Collateral without the prior written consent of Lender, which shall not be unreasonably withheld;
- (k) Owner has the right and is duly authorized to enter into and perform its obligations under this Agreement. Owner's execution and performance of these obligations do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may now or hereafter be binding on Owner;
- (l) No action or proceeding is pending against Owner which might result in any material adverse change in its business operations or financial condition or materially affect the Collateral;
- (m) Owner has not violated and shall not violate any applicable federal, state, county or municipal statute, regulation or ordinance (including but not limited to those governing Hazardous Materials) which may materially and adversely affect its business operations or financial condition or the Collateral;
- (n) Owner shall, upon Lender's request, deposit all proceeds of the Collateral into an account or accounts maintained by Owner or Lender at Lender's institution;
- (o) Owner shall keep current, accurate and complete logs, manuals, books and records relating to the Collateral.

7. **SALE OF COLLATERAL.** Owner shall not assign, convey, lease, sell or transfer any of the Collateral to any third party without the prior written consent of Lender.

8. **FINANCING STATEMENTS AND OTHER DOCUMENTS.** Owner shall at any time and from time to time take all actions and execute all documents required by Lender to attach, perfect and maintain Lender's security interest in the Collateral and establish and maintain Lender's right to receive the payment of the proceeds of the Collateral including, but not limited to, executing any financing statements, fixture filings, continuation statements, notices of security interest and other documents required by the Uniform Commercial Code, Federal Aviation Act of 1958, and other applicable law. Such actions shall include filing all such documents with the FAA, Oklahoma City, Oklahoma, and furnishing evidence of same to Lender. Further, Owner shall perform all acts as necessary to comply with and/or remain subject to the Geneva Convention on the International Recognition of Rights in Aircraft of June 19, 1948 (effective September 17, 1953), the laws and regulations of the FAA, and the laws and regulations of the states and foreign countries in which the Aircraft may operate or be located, or over which it may fly. Owner shall pay the costs of filing such documents in all offices wherever filing or recording is deemed by Lender to be necessary or desirable. Lender shall be entitled to perfect its security interest in the Collateral by filing carbon, photographic or other reproductions of the aforementioned documents with any authority required by the Uniform Commercial Code, Federal Aviation Act of 1958, or other applicable law. Lender may, and Owner authorizes Lender to, execute and file any financing statements, as well as extensions, renewals, continuations and amendments of financing statements in such form as Lender may require to perfect and maintain perfection of any security interest granted in this Agreement.

9. **INQUIRIES AND NOTIFICATION TO THIRD PARTIES.** Owner hereby authorizes Lender to contact any third party and make any inquiry pertaining to Owner's financial condition or the Collateral. In addition, Lender is authorized to provide oral or written notice of its security interest in the Collateral to any third party, and following a default hereunder, to make payment to Lender.

10. **COLLECTION OF INDEBTEDNESS FROM THIRD PARTIES.** Lender shall be entitled to notify, and upon the request of Lender, Owner shall notify any account debtor or other third party (including, but not limited to, insurance companies) to pay any indebtedness or obligation owing to Owner and constituting the Collateral (cumulatively "Indebtedness") to Lender whether or not a default exists under this Agreement. Owner shall diligently collect the Indebtedness owing to Owner from its account debtors and other third parties until the giving of such notification. In the event that Owner possesses or receives possession of any instruments or other remittances with respect to the Indebtedness following the giving of such notification or if the instruments or other remittances constitute the prepayment of any Indebtedness or the payment of any insurance proceeds, Owner shall hold such instruments and other remittances in trust for Lender apart from its other property, endorse the instruments and other remittances to Lender, and immediately provide Lender with possession of the instruments and other remittances. Lender shall be entitled, but not required, to collect (by legal proceedings or otherwise), extend the time for payment, compromise, exchange or release any obligor or collateral upon, or otherwise settle any of the Indebtedness whether or not an event of default exists under this Agreement. Lender shall not be liable to Owner for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom.

11. **POWER OF ATTORNEY.** Owner hereby appoints Lender as its attorney-in-fact to endorse Owner's name on all instruments and other remittances payable to Owner with respect to the Indebtedness or other documents pertaining to Lender's actions in connection with the Indebtedness. In addition, Lender shall be entitled, but not required, to perform any action or execute any document required to be taken or executed by Owner under this Agreement. Lender's performance of such action or execution of such documents shall not relieve Owner from any obligation or cure any default under this Agreement. The powers of attorney described in this paragraph are coupled with an interest and are irrevocable.

12. **USE AND MAINTENANCE OF AIRCRAFT.** Owner shall use the Aircraft for the usual purposes intended by the manufacturer (if applicable), with due care, and in compliance with the laws, ordinances, regulations, requirements and rules of all federal, state, county and municipal authorities including environmental laws and regulations and insurance policies. Owner shall not make any alterations, additions or improvements to the Aircraft without the prior written consent of Lender. Without limiting the foregoing, all alterations, additions and improvements made to the Aircraft shall be subject to the security interest belonging to Lender, shall not be removed without the prior written consent of Lender, and shall be made at Owner's sole expense. Owner shall take all actions and make any repairs or replacements needed to maintain the Aircraft in good order and in airworthy condition, in accordance with all manufacturers' manuals and service bulletins, whether mandatory or nonmandatory. Owner shall cause to be performed all Airworthiness Directives and Federal Aviation Regulations and Special Federal Aviation Regulations related to airworthiness. Owner shall be responsible for all regular inspections of the Aircraft and any licensing or relicensing of the Aircraft in accordance with FAA or other governmental requirements. Owner shall cause to be conspicuously displayed at all times aboard the Aircraft a current Certificate of Airworthiness issued by the FAA. Owner agrees that, should any part, component, attachment, instrument, or accessory of the Aircraft be replaced, whether for maintenance purposes or otherwise, its replacement shall be of substantially the same type and value, and Lender's lien and security interest shall encumber same.

23. **ASSIGNMENT.** Owner shall not be entitled to assign any of its rights, remedies or obligations described in this Agreement without the prior written consent of Lender. Consent may be withheld by Lender in its sole discretion. Lender shall be entitled to assign some or all of its rights and remedies described in this Agreement without notice to or the prior consent of Owner in any manner. 24-1

24. **MODIFICATION AND WAIVER.** The modification or waiver of any of Owner's Obligations or Lender's rights under this Agreement must be contained in a writing signed by Lender. Lender may perform any of Owner's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Owner's Obligations under this Agreement shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or releases any of the obligations belonging to any Owner or third party or any of its rights against any Owner, third party or collateral.

25. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and inure to the benefit of Owner and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees, and devisees.

26. **NOTICES.** Any notice or other communication to be provided under this Agreement shall be in writing and sent to the parties at the addresses described in this Agreement or such other address as the parties may designate in writing from time to time.

27. **SEVERABILITY.** If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid.

28. **APPLICABLE LAW.** This Agreement shall be governed by the laws of the state identified in Lender's address. Owner consents to the jurisdiction and venue of any court located in the state indicated in Lender's address in the event of any legal proceeding pertaining to the negotiation, execution, performance or enforcement of any term or condition contained in this Agreement or any related document and agrees not to commence or seek to remove such legal proceeding in or to a different court.

29. **COLLECTION COSTS.** If Lender hires an attorney to assist in collecting any amount due or enforcing any right or remedy under this Agreement, Owner agrees to pay Lender's reasonable attorneys' fees and collection costs.

30. **MISCELLANEOUS.** This Agreement is executed for commercial purposes. Owner shall supply information regarding Owner's business operations and financial condition or the Collateral in the form and manner as requested by Lender from time to time. All information furnished by Owner to Lender shall be true, accurate and complete in all respects. Owner and Lender agree that time is of the essence. Owner waives presentment, demand for payment, notice of dishonor and protest except as required by law. All references to Owner in this Agreement shall include all parties signing below except Lender. This Agreement shall be binding upon the heirs, successors and assigns of Owner and Lender. If there is more than one Owner, their obligations shall be joint and several. This Agreement shall remain in full force and effect until Lender provides Owner with written notice of termination. This Agreement and any related documents represent the complete and integrated understanding between Owner and Lender pertaining to the terms and conditions of those documents.

31. **WAIVER OF JURY TRIAL.** LENDER AND OWNER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE OBLIGATIONS, THIS AGREEMENT AND ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR THEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER MAKING THE LOAN EVIDENCED BY THE PROMISSORY NOTE.

32. **ADDITIONAL TERMS:**

Owner acknowledges that Owner has read, understands, and agrees to the terms and conditions of this Agreement.

Dated: JANUARY 4, 1996

LENDER: BANK OF LAKE VILLAGE

TERRY ALPE
PRESIDENT

OWNER: CHICOT LEASING, INC.

DAVID L. GLOSUP
PRESIDENT

OWNER:

OWNER:

OWNER:

OWNER:

OWNER:

OWNER:

12. POWER OF ATTORNEY. Owner hereby appoints Lender as its attorney-in-fact to endorse Owner's name on all instruments and other remittances payable to Owner with respect to the Indebtedness, including any items received by Lender in any lockbox account, or other documents pertaining to Lender's actions in connection with the Indebtedness. In addition, Lender shall be entitled, but not required, to perform any action or execute any document required to be taken or executed by Owner under this Agreement. Lender's performance of such action or execution of such documents shall not relieve Owner from any obligation or cure any default under this Agreement. The powers of attorney described in this paragraph are coupled with an interest and are irrevocable. 24

13. USE AND MAINTENANCE OF COLLATERAL. Owner shall use the Collateral solely in the ordinary course of its business, for the usual purposes intended by the manufacturer (if applicable), with due care, and in compliance with the laws, ordinances, regulations, requirements and rules of all federal, state, county and municipal authorities including environmental laws and regulations and insurance policies. Owner shall not make any alterations, additions or improvements to the Collateral without the prior written consent of Lender. Owner shall ensure that Collateral which is not now a fixture does not become a fixture. Without limiting the foregoing, all alterations, additions and improvements made to the Collateral shall be subject to the security interest belonging to Lender, shall not be removed without the prior written consent of Lender, and shall be made at Owner's sole expense. Owner shall take all actions and make any repairs or replacements needed to maintain the Collateral in good condition and working order.

14. LOSS OR DAMAGE. Owner shall bear the entire risk of any loss, theft, destruction or damage (cumulatively "Loss or Damage") to all or any part of the Collateral. In the event of any Loss or Damage, Owner will either restore the Collateral to its previous condition, replace the Collateral with similar property acceptable to Lender in its sole discretion, or pay or cause to be paid to Lender the decrease in the fair market value of the affected Collateral.

15. INSURANCE. The Collateral will be kept insured for its full value against all hazards including loss or damage caused by fire, collision, theft or other casualty. If the Collateral consists of a motor vehicle, Owner will obtain comprehensive and collision coverage in amounts at least equal to the actual cash value of the vehicle with deductibles not to exceed \$ 250.00. Insurance coverage obtained by Owner shall be from a licensed insurer subject to Lender's approval. Owner shall assign to Lender all rights to receive proceeds of insurance not exceeding the amount owed under the obligations described above, and direct the insurer to pay all proceeds directly to Lender. The insurance policies shall require the insurance company to provide Lender with at least 30 days' written notice before such policies are altered or cancelled in any manner. The insurance policies shall name Lender as a loss payee and provide that no act or omission of Owner or any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Collateral. In the event Owner fails to acquire or maintain insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage upon the Collateral and charge the insurance cost as an advance of principal under the promissory note. Owner shall furnish Lender with evidence of insurance indicating the required coverage. Lender may act as attorney-in-fact for Owner in making and settling claims under insurance policies, cancelling any policy or endorsing Owner's name on any draft or negotiable instrument drawn by any insurer.

16. INDEMNIFICATION. Lender shall not assume or be responsible for the performance of any of Owner's obligations with respect to the Collateral under any circumstances. Owner shall immediately provide Lender with written notice of and indemnify and hold Lender and its shareholders, directors, officers, employees and agents harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action, actions, suits and other legal proceedings (cumulatively "Claims") pertaining to its business operations or the Collateral including, but not limited to, those arising from Lender's performance of Owner's obligations with respect to the Collateral. Owner, upon the request of Lender, shall hire legal counsel to defend Lender from such Claims, and pay the attorneys' fees, legal expenses and other costs to the extent permitted by applicable law, incurred in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Owner's cost.

17. TAXES AND ASSESSMENTS. Owner shall execute and file all tax returns and pay all taxes, licenses, fees and assessments relating to its business operations and the Collateral (including, but not limited to, income taxes, personal property taxes, withholding taxes, sales taxes, use taxes, excise taxes and workers' compensation premiums) in a timely manner.

18. INSPECTION OF COLLATERAL AND BOOKS AND RECORDS. Owner shall allow Lender or its agents to examine, inspect and make abstracts and copies of the Collateral and Owner's books and records pertaining to Owner's business operations and financial condition or the Collateral during normal business hours. Owner shall provide any assistance required by Lender for these purposes. All of the signatures and information pertaining to the Collateral or contained in the books and records shall be genuine, true, accurate and complete in all respects. Owner shall note the existence of Lender's security interest in its books and records pertaining to the Collateral.

19. DEFAULT. Owner shall be in default under this Agreement in the event that Owner, Borrower or any guarantor:

- fails to make any payment under this Agreement or any other indebtedness to Lender when due;
- fails to perform any obligation or breaches any warranty or covenant to Lender contained in this Agreement or any other present or future written agreement regarding this or any other indebtedness to Lender;
- provides or causes any false or misleading signature or representation to be provided to Lender;
- allows the Collateral to be destroyed, lost or stolen, damaged in any material respect, or subjected to seizure or confiscation;
- seeks to revoke, terminate or otherwise limit its liability under any continuing guaranty;
- permits the entry or service of any garnishment, judgment, tax levy, attachment or lien against Owner, any guarantor, or any of their property;
- dies, becomes legally incompetent, is dissolved or terminated, ceases to operate its business, becomes insolvent, makes an assignment for the benefit of creditors, fails to pay any debts as they become due, or becomes the subject of any bankruptcy, insolvency or debtor rehabilitation proceeding;
- allows the Collateral to be used by anyone to transport or store goods, the possession, transportation, or use of which, is illegal; or
- causes Lender in good faith to deem itself insecure for any reason.

20. RIGHTS OF LENDER ON DEFAULT. If there is a default under this Agreement, Lender shall be entitled to exercise one or more of the following remedies without notice or demand (except as required by law):

- to declare the Obligations immediately due and payable in full;
- to collect the outstanding Obligations with or without resorting to judicial process;
- to change Owner's mailing address, open Owner's mail, and retain any instruments or other remittances constituting the Collateral contained therein;
- to take possession of any Collateral in any manner permitted by law;
- to apply for and obtain, without notice and upon ex parte application, the appointment of a receiver for the Collateral without regard to Owner's financial condition or solvency, the adequacy of the Collateral to secure the payment or performance of the obligations, or the existence of any waste to the Collateral;
- to require Owner to deliver and make available to Lender any Collateral at a place reasonably convenient to Owner and Lender;
- to sell, lease or otherwise dispose of any Collateral and collect any deficiency balance with or without resorting to legal process;
- to set-off Owner's obligations against any amounts due to Owner including, but not limited to, monies, instruments, and deposit accounts maintained with Lender; and
- to exercise all other rights available to Lender under any other written agreement or applicable law.

Lender's rights are cumulative and may be exercised together, separately, and in any order. If notice to Owner of intended disposition of Collateral is required by law, Lender will provide reasonable notification of the time and place of any sale or intended disposition as required under the Uniform Commercial Code. In the event that Lender institutes an action to recover any Collateral or seeks recovery of any Collateral by way of a prejudgment remedy in an action against Owner, Owner waives the posting of any bond which might otherwise be required. Upon any default, Owner shall segregate all proceeds of Collateral and hold such proceeds in trust for Lender. Lender's remedies under this paragraph are in addition to those available at common law, such as setoff.

21. APPLICATION OF PAYMENTS. Whether or not a default has occurred under this Agreement, all payments made by or on behalf of Owner and all credits due to Owner from the disposition of the Collateral or otherwise may be applied against the amounts paid by Lender (including attorneys' fees and legal expenses) in connection with the exercise of its rights or remedies described in this Agreement and any interest thereon and then to the payment of the remaining Obligations in whatever order Lender chooses.

22. REIMBURSEMENT OF AMOUNTS EXPENDED BY LENDER. Owner shall reimburse Lender for all amounts (including attorneys' fees and legal expenses) expended by Lender in the performance of any action required to be taken by Owner or the exercise of any right or remedy belonging to Lender under this Agreement, together with interest thereon at the lower of the highest rate described in any promissory note or credit agreement executed by Borrower or Owner or the highest rate allowed by law from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations, shall be secured by the Collateral identified in this Agreement and shall be payable upon demand.

FORM APPROVED
OMB NO. 21-20-0029
EXP. DATE 10/31/94

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION-MIKE MONROE AERONAUTICAL CENTER AIRCRAFT REGISTRATION APPLICATION			0 0 0 0 0 0 0 0 0 6 3 9
UNITED STATES REGISTRATION NUMBER N 18MD			CERT. ISSUE DATE C FEB 05 1991 231
AIRCRAFT MANUFACTURER & MODEL BEECH D55			
AIRCRAFT SERIAL No. TE-455			
FOR FAA USE ONLY			
TYPE OF REGISTRATION (Check one box)			
☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Govt ☐ 6. Foreign-owned Corporation			
NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)			
CHICOT LEASING, INC.			
TELEPHONE NUMBER: (501) 265 - 5011			
ADDRESS (Permanent mailing address for first applicant listed.)			
Number and street:			
Rural Route:	CITY	STATE	P.O. Box: 814 ZIP CODE 71653
LAKE VILLAGE ARKANSAS			
☐ CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS ATTENTION! Read the following statement before signing this application. A false or dishonest answer to any question in this application may be grounds for punishment by fine and /or imprisonment (U.S. Code, Title 18, Sec. 1001).			
CERTIFICATION			
I/WE CERTIFY:			
(1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.			
(For voting trust, give name of trustee: _____), or:			
CHECK ONE AS APPROPRIATE:			
a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____			
b. ☐ A foreign-owned corporation organized and doing business under the laws of (state or possession) _____ and said aircraft is based and primarily used in the United States. Records of flight hours are available for inspection at _____			
(2) That the aircraft is not registered under the laws of any foreign country; and			
(3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.			
NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.			
TYPE OR PRINT NAME BELOW SIGNATURE			
EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE	TITLE	DATE
	<i>David Lopez</i>	<i>Pres</i>	22 JAN 91
	SIGNATURE	TITLE	DATE
SIGNATURE	TITLE	DATE	
NOTE: Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.			

CONVEYANCE
FILED WITH FAA
AIRCRAFT REGISTRY
JUN 25 2 14 PM '91
OKLAHOMA CITY
OKLAHOMA

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION AIRCRAFT BILL OF SALE			FORM APPROVED OMB NO. 2120-0042
FOR AND IN CONSIDERATION OF \$ THE UNDERSIGNED OWNER(S) OF THE FULL LEGAL AND BENEFICIAL TITLE OF THE AIRCRAFT DES- CRIBED AS FOLLOWS:			000000638 C22293 C22293 22-1
UNITED STATES REGISTRATION NUMBER N 18MD			
AIRCRAFT MANUFACTURER & MODEL BEECH D55			
AIRCRAFT SERIAL No. TE-455			
DOES THIS 19th DAY OF JANUARY 19 91 HEREBY SELL, GRANT, TRANSFER AND DELIVER ALL RIGHTS, TITLE, AND INTERESTS IN AND TO SUCH AIRCRAFT UNTO:			Do Not Write In This Block FOR FAA USE ONLY
PURCHASER	NAME AND ADDRESS (IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND INITIAL)		
	CHICOT LEASING, INC. P.O. BOX 814 LAKE VILLAGE, ARKANSAS 71653		
DEALER CERTIFICATE NUMBER			
AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.			
IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS DAY OF 19			
SELLER	NAME (S) OF SELLER (TYPED OR PRINTED)	SIGNATURE (S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)
	MERCURY AIRCRAFT SALES, INC.	<i>[Signature]</i>	TREASURER
ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)			
ORIGINAL: TO FAA			
REGISTR CD 5.00 5389 001 1/25/91			
AC FORM 8050-2 (8-85) (1052-00-629-0002)			

[illegible]

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21-1

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

FORM APPROVED:
OMB No. 04-00189

THIS FORM SERVES TWO PURPOSES

PART I acknowledges the recording of a security conveyance covering the collateral shown.
PART II is a suggested form of release which may be used to release the collateral from the terms of the conveyance.

PART I - CONVEYANCE RECORDATION NOTICE

NAME (last name first) OF DEBTOR

Hale Aviation, Inc.

NAME and ADDRESS OF SECURED PARTY/ASSIGNEE

Haskell National Bank
601 North First Street
Haskell, Tx 79521-0998

NAME OF SECURED PARTY'S ASSIGNOR (if assigned)

FAA REGISTRATION NUMBER

AIRCRAFT SERIAL NUMBER

AIRCRAFT MFR. (BUILDER) and MODEL

18MD

TE-455

Beech D55

ENGINE MFR. and MODEL

ENGINE SERIAL NUMBER(S)

PROPELLER MFR. and MODEL

PROPELLER SERIAL NUMBER(S)

THE SECURITY CONVEYANCE DATED 12-17-87 COVERING THE ABOVE COLLATERAL WAS RECORDED BY THE FAA AIRCRAFT REGISTRY ON 4-4-88 AS CONVEYANCE NUMBER H 59571

FAA CONVEYANCE EXAMINER

PART II - RELEASE - (This suggested release form may be executed by the secured party and returned to the FAA Aircraft Registry when terms of the conveyance have been satisfied. See below for additional information.)

THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT HE IS THE TRUE AND LAWFUL HOLDER OF THE NOTE OR OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE-DESCRIBED COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE RETAINED IN THE COLLATERAL BY THE CONVEYANCE IS HEREBY SOLD, GRANTED, TRANSFERRED, AND ASSIGNED TO THE PARTY WHO EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED; PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THIS RELEASE.

This form is only intended to be a suggested form of release, which meets the recording requirements of the Federal Aviation Act of 1958, and the regulations issued thereunder. In addition to these requirements, the form used by the security holder should be drafted in accordance with the pertinent provisions of local statutes and other applicable federal statutes. This form may be reproduced. There is no fee for recording a release. Send to FAA Aircraft Registry, P. O. Box 25504, Oklahoma City, Oklahoma 73125.

ACKNOWLEDGEMENT (If Required By Applicable Local Law):

DATE OF RELEASE: June 28, 1988

Haskell National Bank

(Name of security holder)

SIGNATURE (in ink)

Royce L. Williams

TITLE C.E.O.

(A person signing for a corporation must be a corporate officer or hold a managerial position and must show his title. A person signing for another should see Parts 47 and 49 of the Federal Aviation Regulations (14 CFR).

8 MAY 90

21

00 MAY 90

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00 MAY 90

CONVEYANCE FILED WITH
FAA AIRCRAFT REGISTRY
OCT 22 1 29 PM '90
OKLAHOMA CITY, OKLA.

FORM APPROVED
OMB NO. 2120-0029
EXP. DATE 10/31/84

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UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION-MIKE MONROE AERONAUTICAL CENTER
AIRCRAFT REGISTRATION APPLICATION

UNITED STATES
REGISTRATION NUMBER **N 8MD**
AIRCRAFT MANUFACTURER & MODEL
BEECH D 55
AIRCRAFT SERIAL No.
TE-455

CERT. ISSUE DATE
20-1
AA OCT 17 1990
FOR FAA USE ONLY

TYPE OF REGISTRATION (Check one box)
☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't ☐ 6. Foreign-owned Corporation

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)

MERCURY AIRCRAFT SALES, INC.

TELEPHONE NUMBER: **(602) 265-4904**
ADDRESS (Permanent mailing address for first applicant listed.)

Number and street: **1025 E MISSOURI**

Rural Route: CITY **PHOENIX,** STATE **ARIZONA** P.O. Box: ZIP CODE **85014**

☐ CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS
ATTENTION! Read the following statement before signing this application.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY:

(1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____), or:

CHECK ONE AS APPROPRIATE:

a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____
b. ☐ A foreign-owned corporation organized and doing business under the laws of (state or possession) _____ and said aircraft is based and primarily used in the United States. Records of flight hours are available for inspection at _____

(2) That the aircraft is not registered under the laws of any foreign country; and
(3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE		TITLE	DATE
EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK	SIGNATURE <i>[Signature]</i>	TREASURER	16OCT90
	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE

NOTE: Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

20

CONVEYANCE
FILED WITH FAA
AIRCRAFT REGISTRY
OCT 17 9 18 AM '90
OKLAHOMA CITY
OKLAHOMA

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION		FORM APPROVED OMB NO. 2120-0042	
AIRCRAFT BILL OF SALE		00000437 AA45636	
FOR AND IN CONSIDERATION OF \$ THE UNDERSIGNED OWNER(S) OF THE FULL LEGAL AND BENEFICIAL TITLE OF THE AIRCRAFT DES- CRIBED AS FOLLOWS:			
UNITED STATES REGISTRATION NUMBER N 18MD			
AIRCRAFT MANUFACTURER & MODEL BEECH D55			
AIRCRAFT SERIAL No. TE-455			
DOES THIS 10th DAY OF October 19 90 HEREBY SELL, GRANT, TRANSFER AND DELIVER ALL RIGHTS, TITLE, AND INTERESTS IN AND TO SUCH AIRCRAFT UNTO:			
PURCHASER	NAME AND ADDRESS (IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL.)		
	MERCURY AIRCRAFT SALES, INC. 1025 E. MISSOURI PHOENIX, ARIZONA 85014		
DEALER CERTIFICATE NUMBER			
AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.			
IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS DAY OF 19			
SELLER	NAME (S) OF SELLER (TYPED OR PRINTED)	SIGNATURE (S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)
	Hale Aviation Inc	Joe Pelt Hale	Pres
ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDATION, HOWEVER, MAY BE REQUIRED BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)			
3808 001 10/17/90			
ORIGINAL: TO FAA			
AC FORM 8050-2 (8-85) (0052-00-629-0002)			

19

CONVEYANCE
FILED WITH FAA
AIRCRAFT REGISTRY
OCT 17 9 18 AM '90
OKLAHOMA CITY
OKLAHOMA



U.S. Department
of Transportation

Federal Aviation
Administration

Aviation Standards National
Field Office
FAA Aircraft Registry

P.O. Box 25504
Oklahoma City, Oklahoma 73125

18-1

Retain

August 2, 1990

Linda Ayres
G & G Aero-Serv Inc.
P.O. Box 10728
Lubbock, TX 79408

Dear Ms. Ayres:

The claim of lien executed by G & G Aero-Serv against aircraft N18MD, Beech D55, serial number TE-455, filed on July 23, 1990, as microfilm number 2054 is returned for your disposition as it is not recordable.

We are advised by the Aeronautical Center Counsel that the State of Texas requires notices of liens to be filed against aircraft within 120 days after the last work, materials, or storage has been provided. Your lien indicates the last service was provided on March 23, 1990. Since your lien was filed more than 120 days after that date, the Federal Aviation Administration has no authority to record it.

The claim of lien also names the claimant as Linda Ayres as owner, authorized representative or agent of G & G Aero-Serv. Since G & G Aero-Serv is a corporation, a claim of lien submitted in the future needs to be signed by a corporate or managerial officer of the corporation. A claim of lien signed by an agent may be accepted upon receipt of authorization for the agent to sign and a resolution of the board of directors.

If we may be of further assistance, please feel free to contact the Registry by phone at 405-680-3116.

Sincerely,


Melinda Bohnett
Conveyances Examiner

Enclosure

00000000895

17-1

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

OMB APPROVAL
NOT REQUIRED

THIS FORM SERVES TWO PURPOSES

PART I acknowledges the recording of a security conveyance covering the collateral shown.
PART II is a suggested form of release which may be used to release the collateral from the terms of the conveyance.

PART I - CONVEYANCE RECORDATION NOTICE

NAME (last name first) OF DEBTOR

Sharp, John

NAME and ADDRESS OF SECURED PARTY/ASSIGNEE

*South Texas Savings Assoc.
1205 N. Navarro
Victoria TX 77902*

NAME OF SECURED PARTY'S ASSIGNOR (if assigned)

403090

CONVEYANCE
RECORDED

OCT 31 12 23 PM '88

FEDERAL
AVIATION
ADMINISTRATION

Do Not Write In This Block
FOR FAA USE ONLY

FAA REGISTRATION NUMBER	AIRCRAFT SERIAL NUMBER	AIRCRAFT MFR. (BUILDER) and MODEL
18MD	TE-435	Beech D35
ENGINE MFR. and MODEL	ENGINE SERIAL NUMBER(S)	SEE RECORDED CONVEYANCE NUMBER 403090 FICHE 1 PAGE 11-1
PROPELLER MFR. and MODEL	PROPELLER SERIAL NUMBER(S)	
THE SECURITY CONVEYANCE DATED <i>1-23-86</i> COVERING THE ABOVE COLLATERAL WAS RECORDED BY THE FAA AIRCRAFT REGISTRY ON <i>2-19-86</i> AS CONVEYANCE NUMBER <i>403012</i> <i>David Lynch</i> FAA CONVEYANCE EXAMINER		

PART II - RELEASE - (This suggested release form may be executed by the secured party and returned to the FAA Aircraft Registry when terms of the conveyance have been satisfied. See below for additional information.)

THE UNDERSIGNED HEREBY CERTIFIES AND ACKNOWLEDGES THAT HE IS THE TRUE AND LAWFUL HOLDER OF THE NOTE OR OTHER EVIDENCE OF INDEBTEDNESS SECURED BY THE CONVEYANCE REFERRED TO HEREIN ON THE ABOVE-DESCRIBED COLLATERAL AND THAT THE SAME COLLATERAL IS HEREBY RELEASED FROM THE TERMS OF THE CONVEYANCE. ANY TITLE RETAINED IN THE COLLATERAL BY THE CONVEYANCE IS HEREBY SOLI GRANTED, TRANSFERRED, AND ASSIGNED TO THE PARTY WHO EXECUTED THE CONVEYANCE, OR TO THE ASSIGNEE OF SAID PARTY IF THE CONVEYANCE SHALL HAVE BEEN ASSIGNED: PROVIDED, THAT NO EXPRESS WARRANTY IS GIVEN NOR IMPLIED BY REASON OF EXECUTION OR DELIVERY OF THIS RELEASE

This form is only intended to be a suggested form of release, which meets the recording requirements of the Federal Aviation Act of 1958, and the regulations issued thereunder. In addition to these requirements, the form used by the security holder should be drafted in accordance with the pertinent provisions of local statutes and other applicable federal statutes. This form may be reproduced. There is no fee for recording a release. Send to FAA Aircraft Registry, P. O. Box 25504, Oklahoma City, Oklahoma 73125.

ACKNOWLEDGEMENT (if required by Applicable Local Law):

DATE OF RELEASE: *October 14, 1988*
South Texas Savings Association
(Name of security holder)
SIGNATURE (in ink) *[Signature]*
TITLE *Senior Vice President*

(A person signing for a corporation must be a corporate officer or hold a managerial position and must show his title. A person signing for another should see Parts 47 and 49 of the Federal Aviation Regulations (14 C.F.R.))

FAA AIRCRAFT REGISTRY
CAMERA NO. 2 DATE: 11-23-88

17

CONVEYANCE FILED WITH
FAA AIRCRAFT REGISTRY
OCT 17 3 31 PM '88
OKLAHOMA CITY, OKLA.

HASKELL NATIONAL BANK

HASKELL, TEXAS

SECURITY AGREEMENT

(EQUIPMENT AND CONSUMER GOODS)

CONVEYANCE
RECORDED

Hale Aviation, Inc.

Box 30

APR 4 3 42 PM '88

Stamford

Jones

Texas

FEDERAL AVIATION
ADMINISTRATION

hereafter called "Debtor," and HASKELL NATIONAL BANK, 601 NORTH FIRST STREET, HASKELL, Haskell County, Texas, hereafter called "Bank," agree as follows:

SECTION I. CREATION OF SECURITY INTEREST.

In order to secure a promissory note or notes of even date herewith executed by Debtor and made payable to Bank and all other indebtedness and liabilities of all kinds of Debtor to Bank (whether created directly or acquired by Bank indirectly by assignment or otherwise, and whether now existing or hereafter arising, absolute or contingent, joint and/or several, due or to become due, primary or secondary, and all renewals and extensions thereof), hereafter referred to as "Obligations," Debtor grants to Bank a security interest in the following described property (include purchase price if loan will be used to purchase equipment for farming operations):

One (1)-1968 Beech D55 aircraft, Serial #TE-455
N18MD

all other property of the same class whether now owned or hereafter acquired by Debtor; and all equipment, parts, tools, accessories, additions, attachments, replacements and substitutions now or hereafter installed upon, deposited in, affixed or attached to, or used in connection with any of the above; all of which are hereafter referred to as "Collateral." Proceeds of Collateral are also covered but this should not be construed to mean that Bank consents to Debtor's sale of any of the Collateral.

SECTION II. DEBTOR'S REPRESENTATIONS AND WARRANTIES.

Debtor Represents and Warrants to Bank That (Debtor or Debtor's agent shall select the applicable statement by placing his initials in the appropriate box):

(1) The Collateral shall be used by Debtor primarily as

☐ Consumer goods (personal, family or household uses)

☐ Equipment used in farming operations

☒ Equipment used in a business other than farming operations;

(2) The Collateral shall be located at:

☐ The Texas address shown at the top of this page

☒ Haskell Airport

Haskell

Haskell

TEXAS;

(3) The Collateral

☒ Is presently owned by Debtor

☐ Shall be acquired by Debtor with advances made pursuant to this Agreement;

(4) If Debtor or Debtor's agent places his initials in this box ☐, some part or all of the Collateral hereafter shall be (but is not now) affixed to real estate or attached to other goods of which a description follows (include location):

2:04 PM 5800

5.00 REC
0 255 A 03/22/88

and the name of the record owner of such real estate or other goods is:

(5) If a corporation, Debtor is duly organized and existing under the laws of the State of and is duly qualified and in good standing in every other State in which it is doing business; and the execution, delivery and performance hereof are within Debtor's corporate powers, have been duly authorized, are not in contravention of law or the terms of Debtor's articles of incorporation, by-laws or other incorporation papers; or of any indenture, agreement or undertaking to which Debtor is a party or by which it is bound;

(6) Debtor's chief place of business is located in Texas if any of the Collateral consists of equipment of a type normally used in more than one jurisdiction (such as automotive equipment, rolling stock, airplanes, road building equipment, commercial harvesting equipment, construction machinery and the like);

(7) There is no lien, security interest or other encumbrance on the Collateral covered by this Agreement at the time of execution of this Agreement;

(8) Debtor's residence (or if Debtor is a partnership or corporation, its principal place of business) is the address shown at the beginning of this Agreement; and

(9) All information contained in statements furnished or to be furnished Bank by or on behalf of Debtor in connection with the Obligations secured by this Agreement is complete and accurate.

SECTION III. DEBTOR'S AFFIRMATIVE COVENANTS.

Debtor Covenants and Agrees That Debtor Shall:

(1) Furnish Bank prior to execution of this Agreement with a subordination or disclaimer agreement executed by all persons having an interest in real estate or other goods to which there is already attached or affixed any Collateral constituting fixtures or accessions;

(2) Make a notation of Bank's security interest on all Certificates of Title in the manner required by law if such certificates are required with respect to any of the Collateral and deliver said certificates to Bank;

(3) Within 24 hours of notice of such fact, deliver to Bank additional collateral satisfactory to Bank or reduce Debtor's Obligations to the extent required by Bank if the latter, in its sole discretion, determines that the Collateral has materially decreased in value or Bank otherwise deems itself insecure;

(4) Insure the Collateral with companies acceptable to Bank against such casualties and in such amounts as Bank requires. All insurance policies shall be written for the benefit of Debtor and Bank as their interests may appear, and such policies or original certificates evidencing the same shall be furnished to Bank. All policies of insurance shall provide the maximum prior written notice to Bank of cancellation which the insurance company will provide. Bank may apply any proceeds of such insurance which it may receive toward part or full satisfaction of any or all of the Obligations secured hereby, whether or not said Obligations are then due and owing;

(5) Pay promptly when due (unless they are being contested in good faith) all insurance premiums, taxes, assessments, costs and expenses necessary to preserve, protect, collect and maintain the Collateral; keep the Collateral free from other liens, security

C4#0179 ff 12-28-87 REC

interests or other encumbrances; defend the Collateral if necessary against all claims and demands of all persons at any time claiming an interest therein adverse to Bank; and in the event of failure to do so, Debtor agrees that Bank may make expenditures for any or all such purposes, and the amount so expended together with interest thereon at the rate of 10% per annum shall constitute one of Debtor's Obligations to Bank secured by the security interest granted in Section I, above. Debtor hereby appoints Bank Debtor's attorney-in-fact to enable Bank to act for Debtor in fulfilling all Debtor's responsibilities and exercising all of Debtor's rights under this Agreement for the purpose of preserving and protecting the Collateral and Bank's security interest therein;

(6) Maintain and preserve the Collateral in good order and condition (at Debtor's own risk of loss) by making all necessary repairs, keeping it from being wasted, deteriorated, lost or destroyed, and preventing it from being used in violation of any statute or ordinance; and allow Bank to inspect the Collateral and any books or records pertaining thereto (which Debtor agrees to keep in an accurate and complete form) at any reasonable time by admitting Bank's employees or agents to the premises where the Collateral is located and assisting in the inspection if requested;

(7) Furnish reports, data and financial statements including audits by independent public accountants, in respect of its business and financial conditions, as Bank may reasonably require; and

(8) Join with Bank in executing a financing statement, notice, affidavit, or any similar instruments which Bank deems necessary or advisable to establish or maintain its security interest in form satisfactory to Bank together with such other instruments as Bank may from time to time request, and pay all costs of filing same in any public office or offices deemed advisable by Bank.

SECTION IV. DEBTOR'S NEGATIVE COVENANTS.

Debtor Covenants and Agrees That Without Prior Written Authorization from Bank, Debtor Shall Not:

(1) Change Debtor's residence (or principal place of business if Debtor is a partnership or corporation) to an address different from that shown at the beginning of this Agreement; nor move Debtor's chief place of business to a location outside the State of Texas if any of the Collateral consists of equipment of a type normally used in more than one jurisdiction;

(2) Remove (other than temporarily in connection with its normal use) any or all of the Collateral to a location different from that shown in Paragraph "(2)" of Section II;

(3) Affix or attach any of the Collateral to any real estate or other goods so as to cause it to become fixtures on such real estate or accessions to such other goods unless Paragraph "(4)" of Section II is completed in full;

(4) Sell, exchange, lease or otherwise dispose of any part or all of the Collateral or any of Debtor's rights therein or under this Agreement; and

(5) Assert any claims or defenses Debtor may have against Bank against Bank's assignee, it being understood that Bank may assign any part or all of Debtor's Obligations and this Security Agreement to an assignee who will be entitled to all of the rights, privileges and remedies granted in this Agreement to Bank.

SECTION V. EVENTS OF DEFAULT.

Debtor will be in default under this Security Agreement upon the happening of any of the following events or conditions (hereafter called an "Event of Default"):

(1) Debtor fails to pay when due any principal or interest owing under any of the Obligations secured by the security interest created herein, or otherwise breaches any of the covenants, terms or conditions contained in any writings evidencing such Obligations;

(2) Any Representation or Warranty (Section II) made by Debtor is determined to have been false in any respect at the time made or at the time of execution of this Agreement, or Debtor at any time and in any way breaches any of Debtor's Affirmative Covenants (Section III) or any of Debtor's Negative Covenants (Section IV);

(3) Debtor dies or Debtor's existence is otherwise terminated, Debtor becomes insolvent or otherwise a business failure; the Collateral is lost, stolen, substantially damaged or destroyed; a receiver is appointed for all or any part of Debtor's property; there is an assignment for the benefit of Debtor's creditors; there is a meeting called of Debtor's creditors; or there is commenced any proceeding under any bankruptcy or insolvency laws by or against Debtor or any of Debtor's guarantors or sureties;

(4) Debtor dissolves, merges, consolidates or reorganizes; or

(5) Bank at any time declares an Event of Default because it believes that the prospect of payment of any of the Obligations secured hereby, the performance of any of the terms of this Agreement, or the possibility of resorting to the Collateral for the purpose of satisfying all such Obligations is impaired.

SECTION VI. BANK'S RIGHTS IN EVENT OF DEFAULT.

(1) Upon the occurrence of any Event of Default, and at any time thereafter, Bank may, without notice to Debtor, exercise its right to declare all Obligations secured by the security interest created herein to be immediately due and payable in which case Bank will have all rights and remedies granted by law and particularly by the Texas Uniform Commercial Code, including but not limited to, the right to take possession of the Collateral and custody of anything found in a motor vehicle constituting part or all of the Collateral, and for this purpose Bank may enter upon any premises on which any or all of the Collateral is situated and remove it therefrom. Debtor shall give Bank written notice within five (5) days after repossession of a motor vehicle if Debtor claims that any articles contained therein at the time of repossession are not covered by the security interest created by this Agreement, and failure to do so will forever bar Debtor's claims. Bank may require Debtor to assemble the Collateral and make it available to Bank at a place to be designated by Bank which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Bank will send Debtor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Collateral is to be made. This requirement of sending reasonable notice will be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Agreement at least five days before the time of the sale or disposition. In addition to the expenses of retaking, holding, preparing for sale, selling and the like, Bank will be entitled to recover reasonable attorneys' fees and legal expenses as provided for in this Agreement and in the writings evidencing said Obligations before applying the balance of the proceeds from the sale or other disposition toward satisfaction of the Obligations themselves. Debtor will remain liable for any deficiency remaining after the sale or other disposition.

(2) No act, delay, omission or course of dealing between Debtor and Bank including Bank's remedying of any Event of Default hereunder will constitute a waiver of any of Bank's rights or remedies under this Agreement. A waiver by Bank of any rights or remedies under the terms of this Agreement or with respect to any of Debtor's Obligations to Bank will not be a bar to the exercise of any right or remedy on any subsequent occasion.

(3) All rights and remedies of Bank hereunder are cumulative and may be exercised singly or concurrently, and the exercise of any one or more of them will not be a waiver of any other. No waiver, change, modification or discharge of any of Bank's rights or Debtor's duties as so specified or allowed will be effective unless contained in a written instrument signed by the Bank.

SECTION VII. MISCELLANEOUS.

(1) This Agreement and the security interest in the Collateral herein created will terminate when all Obligations secured hereby have been paid in full.

(2) The provisions of this Agreement are in addition to those contained in any writings evidencing the Obligations secured hereby, all of which will be construed as one instrument. In addition to the amounts provided for in said writings agreed to be paid by Debtor as reimbursement for Bank's attorneys' fees and legal expenses in the event of default, Debtor also agrees to pay Bank's reasonable attorneys' fees in enforcing and carrying out the covenants, terms and conditions contained in this Security Agreement.

(3) Any notice which may be given to Debtor under the terms of this Agreement will be sufficient if mailed to Debtor at the address first shown at the beginning of this Agreement. Any notice required or allowed to be given Bank by Debtor must be by written instrument either delivered to an agent or employee of Bank Haskell National Bank or mailed to P.O. Box 667, Haskell, Texas 79521

(4) The term "Debtor" as used in this Agreement will be construed as singular or plural to correspond with the number of persons executing this Agreement as Debtor. If more than one person executes this Agreement as Debtor, his, her, their, or its duties and liabilities under this Agreement will be joint and several. The terms "Secured Party" and "Debtor" as used in this Agreement include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.

(5) Where there are contained in this Agreement words or phrases which are defined in the Texas Uniform Commercial Code, the Code definitions will control the meaning of the words or phrases. A determination that any provision contained herein is unenforceable will have no effect on the validity of the remaining provisions.

(6) The law governing this secured transaction will be that of the State of Texas in force on the date of execution of this Agreement. The Obligations contained in this Agreement (which require only the Debtor's signature to become enforceable) are enforceable in Haskell County, Texas

EXECUTED this 17th day of December, 1987

HASKELL NATIONAL BANK

DEBTOR:

By: Assistant Cashier Vice President
(Signature by Bank is unnecessary unless Security Agreement will be used as a Financing Statement)

(Name of Individual)

(Name of Individual)

Hale Aviation, Inc.

(Name of Business)

By: Joe Pat Hale
(Name)

President
(Title)

FORM APPROVED
OMB No. 2120-0042

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION-MEMPHIS AERONAUTICAL CENTER AIRCRAFT REGISTRATION APPLICATION		0 0 5 9 3
UNITED STATES REGISTRATION NUMBER	N 18MD	CERT. ISSUE DATE 15-1
AIRCRAFT MANUFACTURER & MODEL Beech D55		H 040488
AIRCRAFT SERIAL No. TE-455		FOR FAA USE ONLY

TYPE OF REGISTRATION (Check one box)

☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't ☐ 8. Non-citizen Corporation

NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.)
Hale Aviation, Inc.
Box 30
Stamford, Texas 79553

TELEPHONE NUMBER: 915, 773-2788

ADDRESS (Permanent mailing address for first applicant listed.)
Number and street:
Rural Route:
CITY: Stamford STATE: Texas P.O. Box: 30 ZIP CODE: 79553

☐ CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS
ATTENTION! Read the following statement before signing this application. This portion MUST be completed.
A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY:

(1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States.

(For voting trust, give name of trustee: _____).

CHECK ONE AS APPROPRIATE:

- a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____
b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records of flight hours are available for inspection at _____

(2) That the aircraft is not registered under the laws of any foreign country; and
(3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.

NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.

TYPE OR PRINT NAME BELOW SIGNATURE

EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE	TITLE	DATE
	<i>Joe Paul Hale</i>	Pres	3-16-85
	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE

NOTE: Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.

AC Form 8050-1 (8-84) (0052-00-628-9005)

15

FILED WITH NO
AIRCRAFT REGISTRY
MAR 23 11 38 AM '88
OKLAHOMA CITY
OKLAHOMA

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION

AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF \$ 0 0 0 0 0 0 5 9 2
THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT DES-
CRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER N 18MD

AIRCRAFT MANUFACTURER & MODEL
Beech D55

AIRCRAFT SERIAL No. TE-455

DOES THIS 17th day of Feb. 19 88

HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTERESTS
IN AND TO SUCH AIRCRAFT UNTO:

NAME AND ADDRESS
(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL.)

Hale Aviation, Inc.
Box 30
Stamford, Texas 79553

PURCHASER

DEALER CERTIFICATE NUMBER

AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS 17th day of Feb. 88

SELLER	NAME (S) OF SELLER (TYPED OR PRINTED)	SIGNATURE (S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)
	John S. Sharp	<i>John S. Sharp</i>	owner

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

ORIGINAL: TO FAA

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AC FDM 8050-2 (2-78) (001-222-0002)

FORM APPROVED
OMB NO. 34-0072

14-1

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CONVEYANCE
RECORDED

APR 4 3 41 PM 288

Do Not Write In This Block
FOR FAA USE ONLY
FEDERAL AVIATION
ADMINISTRATION

14

ALICIA M. HARRIS
08 W/OF II
ON 11/11/88
W/OF II
W/OF II

IN DATE: 5-14-86

FORM APPROVED
OMB NO. 2120-0029
EXP. DATE 10/31/84

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION-MIKE MCDONNELL AERONAUTICAL CENTER AIRCRAFT REGISTRATION APPLICATION			00394 13-1 CERT. ISSUE DATE DOI 2-19-86 MAR 11 1986
UNITED STATES REGISTRATION NUMBER N18MD			FOR FAA USE ONLY
AIRCRAFT MANUFACTURER & MODEL Beechcraft Baron D 55			
AIRCRAFT SERIAL NO. TE - 455			
TYPE OF REGISTRATION (Check one box)			
☒ 1. Individual ☐ 2. Partnership ☐ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't ☐ 8. Foreign-owned Corporation			
NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.) Sharp, John S.			
TELEPHONE NUMBER: (512) 572-4709			
ADDRESS (Permanent mailing address for first applicant listed.) 301-B South Texas Savings Bldg.			
Number and street:			
Rural Route:	CITY	STATE	P.O. Box: ZIP CODE
	Victoria	Texas	77901
☐ CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS ATTENTION! Read the following statement before signing this application. A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).			
CERTIFICATION			
I/WE CERTIFY:			
(1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States _____, or:			
(For voting trust, give name of trustee: _____)			
CHECK ONE AS APPROPRIATE:			
a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____			
b. ☐ A foreign-owned corporation organized and doing business under the laws of (state or possession) _____, and said aircraft is based and primarily used in the United States. Records of flight hours are available for inspection at _____			
(2) That the aircraft is not registered under the laws of any foreign country; and			
(3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.			
NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.			
TYPE OR PRINT NAME BELOW SIGNATURE			
EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE <i>John Sharp</i>	TITLE Owner	DATE 1-28-86
	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE
NOTE: Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.			

AC FORM 8050-1 (1-83) (0052-00-628-9005)

11:07 AM 3550

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FAA AIRCRAFT REGISTRY
FEB 15 10 30 AM '86

12-1

MEMORANDUM TO THE FILE

AIRCRAFT N 187MD

CERTIFICATE ISSUED _____ (DATE) TO _____

WITH DATE OF ISSUE _____

REASON: _____

FLYING TIME ISSUED _____ FOR _____ DAYS BY

☐ FORM 8050-37 ☐ BY TELEGRAM (COPY OF TELEGRAM IN 30 DAY FILE)DOCUMENTS RETURNED L MAR 11 1986 (DATE)DOCUMENTS FILED 2-14-86 (DATE)MICRO NUMBER 395REASON RETURNED: Photocopy of BIS (Doc 403011 pg 9-1)

REVISED CERTIFICATE ISSUED _____ (DATE)

AIRCRAFT DESCRIPTION CHANGE:

N NUMBER _____

SERIAL NUMBER _____

MAKE _____

MODEL _____ (MMC _____)

REASON ☐ N NUMBER CHANGE☐ FAA 8130-6☐ OTHER: _____

3391 1-1 2AM

(C) 1986

Loan # 73-001338-3

11-1598-SECURITY AGREEMENT-GENERAL (9/81)

HART GRAPHICS-AUSTIN, TEXAS

SECURITY AGREEMENT

DEBTOR John Sharp

DEBTOR'S RESIDENCE

OR

PLACE OF BUSINESS 301 South Texas Savings Building - Victoria, Texas 77901

SECURED PARTY SOUTH TEXAS SAVINGS ASSOCIATION

SECURED PARTY'S ADDRESS 1205 NORTH NAVARRO

VICTORIA, TEXAS 77902

SECURITY INTEREST In order to secure the payment of the Debt described below and the obligations of this Security Agreement, Debtor gives Secured Party a security interest in the following Collateral under Article 9 of the Uniform Commercial Code (UCC):

COLLATERAL

1968 Beechcraft Baron D-55 Serial # TE-455 Registration Number N 18MD

AFTER-ACQUIRED PROPERTY AND PROCEEDS The Collateral includes: all proceeds, increases, substitutions, replacements, additions, improvements and accessions to the Collateral, all proceeds from insurance on the Collateral, and all refunds of unearned premiums for insurance; but does not include any consumer goods (other than accessions) acquired by Debtor more than 10 days after the loan proceeds are advanced. This provision shall not be construed to mean that Debtor is authorized to sell, lease, or dispose of the Collateral without the consent of Secured Party.

DEBT \$ 39,302.13 Note dated January 23, 1986 payable to Secured Party.

FUTURE ADVANCES AND OTHER DEBTS The debt includes: any renewals or extensions of the Note; any amounts advanced by Secured Party to protect its security interest in the Collateral; any future amounts advanced by Debtor to Secured Party, now existing or later incurred, matured or unmatured, direct or contingent; any costs or expenses that may be lawfully assessed against Debtor for the collection of the Debt, including attorney's fees;

LOCATION OF COLLATERAL Debtor agrees to keep the Collateral
[X] at the Debtor's address stated above;
[] at the following location:

REAL ESTATE If marked here [], the Collateral is either: [] a fixture that is, or will be, attached to the following described real estate, or [] crops growing or to be grown upon the following described real estate:

whose record owner is:

FARM PRODUCTS If marked here [], the Collateral is farm products and includes the offspring and increase of any livestock or crops given as such Collateral and all feed, seed, fertilizer and other supplies now owned or later acquired in connection with such farming operations, all of which is located upon the above described real estate.

LOCATION OF RECORDS If marked here [], the Collateral consists of accounts, instruments, chattel paper, documents or other general intangibles and the records concerning such Collateral are kept at

POSSESSION BY SECURED PARTY If marked here [], the Collateral will be retained in the possession of Secured Party, and the following provisions in this section shall be applicable. Secured Party's duty with reference to the Collateral shall be solely to use reasonable care in the custody and preservation of the Collateral in its possession and to receive collections, earnings, dividends, remittances and payments on such Collateral as and when made. Secured Party shall have the option of applying the amounts so received, after deduction for any collection costs that may be lawfully charged, as payment of any debt secured by this Security Agreement, or holding such amounts for the benefit of Debtor. Secured Party shall not be responsible in any way for any depreciation in value of the Collateral, nor shall Secured Party have any duty or responsibility to take any steps to preserve rights against other parties or to enforce collection of the Collateral.

USE OF COLLATERAL The Collateral will be used primarily for the purposes checked below:

[X] Personal, family, or household purposes

[X] Business operations (other than farming)

[] Farming operations

OWNERSHIP OF COLLATERAL Debtor is the owner of the Collateral, or if marked here [], Debtor is purchasing the Collateral with the proceeds of the Note described above. Except for the security interest created by this Security Agreement, the Collateral is free from any lien, security interest, encumbrance, or claim. With respect to any instruments, chattel paper, documents or other general intangibles given as Collateral, Debtor warrants and represents that: they are genuine, free from adverse claims, default, prepayment or defenses; all persons appearing to be obligated thereon have authority and capacity to contract and are bound thereon; and they comply with applicable laws concerning form, content, and manner of preparation and execution. Debtor will, at Debtor's cost and expense, defend any action which may affect Secured Party's security interest in, or Debtor's title to, the Collateral.

FINANCING STATEMENT No Financing Statement covering the Collateral or any part thereof or any proceeds thereof is on file in any public office and, at Secured Party's request, Debtor will join in executing all necessary Financing Statements in forms satisfactory to Secured Party and will pay the cost of filing and will further execute all other necessary instruments deemed necessary by Secured Party and pay the cost of filing.

SALE OR ENCUMBRANCE OF COLLATERAL Debtor will not, without the written consent of Secured Party, sell, contract to sell, lease, encumber, or dispose of the Collateral or any interest therein until this Security Agreement and all debts secured thereby have been fully satisfied.

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INSURANCE If the Collateral is tangible property and insurable, Debtor will insure the Collateral with companies acceptable to Secured Party against such casualties and in such amounts as Secured Party shall reasonably require with a loss payable clause in favor of Debtor and Secured Party as their interest may appear, and Secured Party is hereby authorized to collect sums which may become due under any of said policies and apply the same to the obligations hereby secured.

PROTECTION OF COLLATERAL If the Collateral is tangible property, Debtor will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any part thereof. Debtor will not use the Collateral in violation of any statute or ordinance and Secured Party will have the right to examine and inspect the Collateral at any reasonable time.

TAXES Debtor will pay promptly when due all taxes and assessments on the Collateral or for its use and operation.

DECREASE IN VALUE OF COLLATERAL If in Secured Party's judgment the Collateral has materially decreased in value or if Secured Party shall at any time deem that Secured Party is insecure, Debtor shall either provide enough additional Collateral to satisfy Secured Party, or shall reduce the total indebtedness by an amount sufficient to satisfy Secured Party.

REIMBURSEMENT OF EXPENSES At the option of Secured Party, Secured Party may discharge taxes, liens, interest, or perform or cause to be performed for and on behalf of Debtor any actions and conditions, obligations, or covenants which Debtor has failed or refused to perform, and may pay for the repair, maintenance, and preservation of the Collateral, including, to the extent but only to the extent such amounts may be lawfully collected, attorney's fees, court costs, agent's fees, or commissions, or any other costs or expenses. All sums so expended shall bear interest from the date of payment at the rate of interest stated in the Note described above, if such rate of interest can be lawfully collected and if not then at the maximum legal rate, and shall be payable on demand at the place designated in the Note and shall be secured by this Security Agreement.

CHANGE OF RESIDENCE OR PLACE OF BUSINESS Debtor will promptly notify Secured Party of any change of the Debtor's residence, place of business, or place where records are kept.

TIME OF PERFORMANCE AND WAIVER In performing any act under this Security Agreement and the Note secured thereby, time shall be of the essence. Secured Party's acceptance of partial or delinquent payments, or the failure of Secured Party to exercise any right or remedy shall not be a waiver of any obligation of Debtor or right of Secured Party or constitute a waiver of any other similar default subsequently occurring.

DEFAULT Debtor shall be in default under this Security Agreement on the happening of any of the following events or conditions:

- (1) Default in the payment or performance of any obligation, covenant, or liability contained or referred to in the Note or in this Security Agreement;
- (2) Any warranty, representation, or statement made or furnished to Secured Party by or on behalf of Debtor proves to have been false in any material respect when made or furnished;
- (3) Loss, theft, substantial damage, destruction, sale, or encumbrance to or of any of the Collateral, or the making of any levy, seizure, or attachment thereof or thereon;
- (4) Any time Secured Party believes that the prospect of payment of any indebtedness secured hereby or the performance of this Security Agreement is impaired;
- (5) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the Collateral, assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against Debtor or any guarantor or surety for Debtor.

REMEDIES Upon the occurrence of any such event of default, and at any time thereafter, Secured Party may declare all obligations secured immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies provided by the Uniform Commercial Code as well as other rights and remedies either at law or in equity possessed by Secured Party.

Secured Party shall have the right to remove the Collateral from the premises of Debtor and, for purposes of removal and possession, Secured Party or its representatives may enter any premises of the Debtor without legal process and the Debtor hereby waives and releases Secured Party of and from any and all claims in connection therewith or arising therefrom.

Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at any place to be designated by the Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give the Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this Security Agreement at least five days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling, or the like shall include Secured Party's reasonable attorney's fees and legal expenses, to the extent but only to the extent such amounts may be lawfully collected.

TEXAS LAW TO APPLY This Agreement shall be construed under and in accordance with the Uniform Commercial Code and other applicable laws of the State of Texas and all obligations of the parties created hereunder are performable in the County of the Secured Party's address stated above.

PARTIES BOUND This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns. If there is more than one Debtor, their obligations shall be joint and several.

LEGAL CONSTRUCTION In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Notwithstanding anything else herein to the contrary, if the Debt secured by this Security Agreement is a loan made under any chapter of the Texas Credit Code that limits charges and expenses that may be collected by Secured Party, the provisions of such Code shall govern in the event of any conflict between the provisions of this Security Agreement and the provisions of such Code.

Executed 23rd day of January, 1986

Secured Party:

South Texas Savings Association

T. Michael Cox
By T. Michael Cox, Vice-President

Debtor:

John Sharp
X John Sharp

Loan # 73-001338-3

11-1598—SECURITY AGREEMENT-GENERAL (9-81)

HART GRAPHICS—AUSTIN, TEXAS

SECURITY AGREEMENT

DEBTOR John Sharp U03012

DEBTOR'S RESIDENCE _____

OR

PLACE OF BUSINESS 301 South Texas Savings Building - Victoria, Texas 77901

SECURED PARTY SOUTH TEXAS SAVINGS ASSOCIATION

SECURED PARTY'S ADDRESS 1205 NORTH NAVARRO FEB 13 8 47 AM '86

VICTORIA, TEXAS 77902

SECURITY INTEREST In order to secure the payment of the Debt described hereon, and the obligations of this Security Agreement, Debtor gives Secured Party a security interest in the following Collateral under Article 9 of the Uniform Commercial Code (UCC):

COLLATERAL _____

1986 Beechcraft Baron D-55 Serial # TE-455 Registration Number N 18MD

AFTER-ACQUIRED PROPERTY AND PROCEEDS The Collateral includes: all proceeds, increases, substitutions, replacements, additions, improvements and accessions to the Collateral; all proceeds from insurance on the Collateral; and all refunds of unearned premiums for insurance; but does not include any consumer goods (other than accessions) acquired by Debtor more than 10 days after the loan proceeds are advanced. This provision shall not be construed to mean that Debtor is authorized to sell, lease, or dispose of the Collateral without the consent of Secured Party.

DEBT \$ 39,302.13 Note dated January 23, 1986 payable to Secured Party.

FUTURE ADVANCES AND OTHER DEBTS The debt includes: any renewals or extensions of the Note; any amounts advanced by Secured Party to protect its security interest in the Collateral; any future amounts advanced by Debtor to Secured Party, now existing or later incurred, matured or unmatured, direct or contingent; any costs or expenses that may be lawfully assessed against Debtor for the collection of the Debt, including attorney's fees;

LOCATION OF COLLATERAL Debtor agrees to keep the Collateral ☒ at the Debtor's address stated above; ☐ at the following location: _____

REAL ESTATE If marked here ☐, the Collateral is either ☐ a fixture that is, or will be, attached to the following described real estate; or ☐ crops growing or to be grown upon the following described real estate:

whose record owner is: _____

FARM PRODUCTS If marked here ☐, the Collateral is farm products and includes the offspring and increase of any livestock or crops given as such Collateral and all feed, seed, fertilizer and other supplies now owned or later acquired in connection with such farming operations, all of which is located upon the above described real estate.

LOCATION OF RECORDS If marked here ☐, the Collateral consists of accounts, instruments, chattel paper, documents or other general intangibles and the records concerning such Collateral are kept at _____

POSSESSION BY SECURED PARTY If marked here ☐, the Collateral will be retained in the possession of Secured Party, and the following provisions in this section shall be applicable. Secured Party's duty with reference to the Collateral shall be solely to use reasonable care in the custody and preservation of the Collateral in its possession and to receive collections, earnings, dividends, remittances and payments on such Collateral as and when made. Secured Party shall have the option of applying the amounts so received, after deduction for any collection costs that may be lawfully charged, as payment of any debt secured by this Security Agreement, or holding such amounts for the benefit of Debtor. Secured Party shall not be responsible in any way for any depreciation in value of the Collateral, nor shall Secured Party have any duty or responsibility to take any steps to preserve rights against other parties or to enforce collection of the Collateral.

USE OF COLLATERAL The Collateral will be used primarily for the purposes checked below:

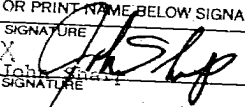
- ☒ Personal, family, or household purposes
☒ Business operations (other than farming)
☐ Farming operations

OWNERSHIP OF COLLATERAL Debtor is the owner of the Collateral, or if marked here ☐, Debtor is purchasing the Collateral with the proceeds of the Note described above. Except for the security interest created by this Security Agreement, the Collateral is free from any lien, security interest, encumbrance, or claim. With respect to any instruments, chattel paper, documents or other general intangibles given as Collateral, Debtor warrants and represents that: they are genuine, free from adverse claims, default, prepayment or defenses; all persons appearing to be obligated thereon have authority and capacity to contract and are bound thereon; and they comply with applicable laws concerning form, content, and manner of preparation and execution. Debtor will, at Debtor's cost and expense, defend any action which may affect Secured Party's security interest in, or Debtor's title to, the Collateral.

FINANCING STATEMENT No Financing Statement covering the Collateral or any part thereof or any proceeds thereof is on file in any public office and, at Secured Party's request, Debtor will join in executing all necessary Financing Statements in forms satisfactory to Secured Party and will pay the cost of filing and will further execute all other necessary instruments deemed necessary by Secured Party and pay the cost of filing.

SALE OR ENCUMBRANCE OF COLLATERAL Debtor will not, without the written consent of Secured Party, sell, contract to sell, lease, encumber, or dispose of the Collateral or any interest therein until this Security Agreement and all debts secured thereby have been fully satisfied.

5.00 REC
0016 1 1 02/03/86

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION 14 CFR PART 47 AIRCRAFT REGISTRATION APPLICATION			
UNITED STATES REGISTRATION NUMBER N 18MD		CERTIFICATE DATE 17 FEB 1986	
AIRCRAFT MANUFACTURER & MODEL Beechcraft Baron D-55		FOR FAA USE ONLY	
AIRCRAFT SERIAL NO. TE-455			
TYPE OF REGISTRATION (Check one box) ☒ 1. Individual ☐ 2. Partnership ☐ 3. Corporation ☐ 4. Co-owner ☐ 5. Gov't ☐ 6. Non-citizen Corporation			
NAME OF APPLICANT (Persons shown on evidence of ownership. If individual, give last name, first name, and middle initial) Sharp, John			
TELEPHONE NUMBER: (512) 575-0445 ADDRESS (Permanent mailing address for first applicant listed.) 301 South Texas Savings Building Number and street:			
Rural Route: CITY Victoria	STATE Texas	P.O. Box: ZIP CODE 77901	
☐ CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS completed. Read the following statement before signing this application. This portion MUST be completed. A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).			
CERTIFICATION			
I/WE CERTIFY: (1) That the above aircraft is owned by the undersigned applicant, who is a citizen (including corporations) of the United States. (For voting trust, give name of trustee: _____), or: CHECK ONE AS APPROPRIATE: a. ☐ A resident alien, with alien registration (Form 1-151 or Form 1-551) No. _____ b. ☐ A non-citizen corporation organized and doing business under the laws of (state) _____ and said aircraft is based and primarily used in the United States. Records or flight hours are available for inspection at _____ (2) That the aircraft is not registered under the laws of any foreign country; and (3) That legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.			
NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.			
TYPE OR PRINT NAME BELOW SIGNATURE			
EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK.	SIGNATURE 	TITLE owner	DATE 1-23-86
	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE
NOTE: Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.			

CONVEYANCE FILED WITH
FEDERAL AVIATION
ADMINISTRATION
JAN 31 8 15 PM '86
OKLAHOMA CITY, OKLA.

00000001774

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF \$ THE
UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT, DES-
CRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER **N 18MD**
AIRCRAFT MANUFACTURER & MODEL
Delta-55
AIRCRAFT SERIAL No.
TE-455

DOES THIS 24th DAY OF January, 86
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTEREST
IN AND TO SUCH AIRCRAFT UNTO:

NAME AND ADDRESS
(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL.)
John Sharp
301 South Texas Savings Building
Victoria, Texas 77901

PURCHASER

DEALER CERTIFICATE NUMBER

AND TO HIS EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS 24 DAY OF Jan, 86

SELLER	NAME (S) OF SELLER (TYPED OR PRINTED)	SIGNATURE (S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)
	Friona Industries, Inc.		
	By: Dale Van Loh	<i>Dale Van Loh</i>	Vice President

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

ORIGINAL: TO FAA

AC FORM 8050-2 (9-82) (0052-00-429-0002)

FORM APPROVED
OMB No 2120-0029
EXP. DATE 10/31/84

003011

FEB 15 8 47 AM '86

FEDERAL
Do Not Write In This Block
FOR FAA USE ONLY

FAA AIRCRAFT REGISTRY

CAMERA NO. 3N DATE: 2-20-86

9

OKLAHOMA CITY, OKLA.

JAN 31 3 15 PM '86

CONVEYANCE FILED WITH
FAA AIRCRAFT REGISTRY

DEPARTMENT OF TRANSPORTATION UNITED STATES OF AMERICA FEDERAL AVIATION ADMINISTRATION AIRCRAFT REGISTRATION APPLICATION			CERT. ISSUE DATE 2 06 05 81
UNITED STATES REGISTRATION NUMBER N 18MD AIRCRAFT MANUFACTURER & MODEL Beechcraft D55 AIRCRAFT SERIAL No. TE+55			FOR FAA USE ONLY
TYPE OF REGISTRATION (Check one box) ☐ 1. Individual ☐ 2. Partnership ☒ 3. Corporation ☐ 4. Co-Owner ☐ 5. Gov't.			
NAME OF APPLICANT (Person(s) shown on evidence of ownership. If individual, give last name, first name, and middle initial.) Friona Industries Inc			
ADDRESS (Permanent mailing address for first applicant listed.) Number and street: _____ P. O. Box: 369 Rural Route: _____			
CITY Friona	STATE Texas	ZIP CODE 79035	
☐ CHECK HERE IF YOU ARE ONLY REPORTING A CHANGE OF ADDRESS			
ATTENTION! Read the following statement before signing this application. A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).			
CERTIFICATION I/WE CERTIFY that the above described aircraft (1) is owned by the undersigned applicant(s); who is/are citizen(s) of the United States as defined in Sec. 101(13) of the Federal Aviation Act of 1958; (2) is not registered under the laws of any foreign country; and (3) legal evidence of ownership is attached or has been filed with the Federal Aviation Administration.			
NOTE: If executed for co-ownership all applicants must sign. Use reverse side if necessary.			
EACH PART OF THIS APPLICATION MUST BE SIGNED IN INK	SIGNATURE <i>Ron Davenport</i>	TITLE <i>President</i>	DATE 4/27/81
	SIGNATURE <i>David D. Dadd</i>	TITLE <i>Dr. Vice Pres.</i>	DATE 4/27/81
	SIGNATURE	TITLE	DATE
NOTE: Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 90 days, during which time the PINK copy of this application must be carried in the aircraft.			

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OKLAHOMA CITY
MAY 5 1 55 PM '81
AIRCRAFT REGISTRY
FILED WITH
CONTRACT

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
AIRCRAFT BILL OF SALE

FOR AND IN CONSIDERATION OF \$1.000000
THE UNDERSIGNED OWNER(S) OF THE FULL LEGAL
AND BENEFICIAL TITLE OF THE AIRCRAFT DES-
CRIBED AS FOLLOWS:

UNITED STATES
REGISTRATION NUMBER **N 18MD**
AIRCRAFT MANUFACTURER & MODEL **Beechcraft D55**
AIRCRAFT SERIAL No. **TR455**

DOES THIS DAY OF 19
HEREBY SELL, GRANT, TRANSFER AND
DELIVER ALL RIGHTS, TITLE, AND INTEREST
IN AND TO SUCH AIRCRAFT UNTO:

NAME AND ADDRESS
(IF INDIVIDUAL(S), GIVE LAST NAME, FIRST NAME, AND MIDDLE INITIAL.)
Friona Industries Inc.
P.O. Box 369
Friona, Tx 79035

PURCHASER

DEALER CERTIFICATE NUMBER

AND TO EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO HAVE AND TO HOLD
SINGULARLY THE SAID AIRCRAFT FOREVER, AND WARRANTS THE TITLE THEREOF.

IN TESTIMONY WHEREOF HAVE SET HAND AND SEAL THIS DAY OF 19

	NAME (S) OF SELLER (TYPED OR PRINTED)	SIGNATURE (S) (IN INK) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (TYPED OR PRINTED)
	SELLER		
	Hoover, Thomas P.	<i>Thomas P. Hoover</i>	Individual

ACKNOWLEDGMENT (NOT REQUIRED FOR PURPOSES OF FAA RECORDING; HOWEVER, MAY BE REQUIRED
BY LOCAL LAW FOR VALIDITY OF THE INSTRUMENT.)

ORIGINAL: TO FAA

AC FORM 8090-2 (8-76) (0001-019-0002)

FORM APPROVED:
OMB NO. 33-00078

JUN 5 8 58 AM '81

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FEDERAL AVIATION
ADMINISTRATION

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OKLAHOMA CITY
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FILED WITH
AIRCRAFT REGISTRY
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UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION—FEDERAL AVIATION ADMINISTRATION RESERVATION OF SPECIAL REGISTRATION MARKS This is your authority to affix the special registration mark reserved for the aircraft described below.		SPECIAL REGIS. MARK RESERVED N 18MD PRESENT REGIS. MARK N 5472U
AIRCRAFT MAKE AND MODEL: BEECH D55	AIRCRAFT SERIAL NO. TE-455	
THOMAS B. HOOVER, M.D. BOX 865 TUCUMCARI, NEW MEXICO 88401		Carry duplicate of this form in the aircraft together with old registration certificate, as interim authority to operate the aircraft pending receipt of revised certificate of registration. Obtain a revised certificate of airworthiness from nearest Flight Standards District Office. Latest FAA Form 8130-6 dated 16 NOV 67. Airworthiness classification STD/NML
NOTE: Special registration mark reserved until _____ AUTHORIZED BY <i>JW Smiley</i>		
This form, properly executed, must be returned to the FAA Aircraft Registry, P.O. Box 25082, Oklahoma City, Oklahoma 73125, within 5 days following placing of the special registration mark on the aircraft described above.		
CERTIFICATION: I hereby certify that the special registration mark was placed on the aircraft described above.		
DATE PLACED ON AIRCRAFT 10/6/72	SIGNATURE & TITLE OF REGISTERED OWNER <i>Thomas B. Hoover</i>	

AC Form 8650-84 (9-70) Supersedes previous edition

42-2-25-72

C FAA AC 72-1898

AERO

GOVERNANCE FILED WITH
AIRCRAFT REGISTRY
OCT 17 3 08 PM '72
OKLAHOMA CITY, OKLA.

F JAN 11 1968
FORM APPROVED: BUDGET BUREAU NO. 04-2076.1

FEDERAL AVIATION AGENCY
APPLICATION FOR AIRCRAFT REGISTRATION

TYPE OF REGISTRATION (Check one box)

☒ 1. Individual ☐ 2. Partnership ☐ 3. Corporation ☐ 4. Co-Owner ☐ 5. Government

NATIONALITY AND
REGISTRATION MARKS

N 54720 17AD

AIRCRAFT MAKE AND MODEL

Beech D55 Baron

AIRCRAFT SERIAL No:

TE-455

NAME(S) OF APPLICANT(S) (Must be same as Purchaser on Bill of Sale; if individual(s), give last name(s), first name(s), and middle initial(s).)

Dr. Thomas B. Hoover

ADDRESS (Number and Street, P.O. Box, or Rural Route.)

Box 1077

CITY

Tucumcari

COUNTY

STATE

New Mexico

ZIP CODE

88401

ATTENTION! Read the following statement before signing this application.

A false or dishonest answer to any question in this application may be grounds for punishment by fine and/or imprisonment (U.S. Code, Title 18, Sec. 1001).

CERTIFICATION

I/WE CERTIFY that the above described aircraft (1) is owned by the undersigned applicant(s), who is/are citizen(s) of the United States as defined in Sec. 101(13) of the Federal Aviation Act of 1958; (2) is not registered under the laws of any foreign country; and (3) legal evidence of ownership is attached or has been filed with the Federal Aviation Agency.

NOTE: If executed for co-ownership all applicants must sign.

EACH PART OF THIS APPLICATION MUST BE SIGNED BY ALL APPLICANTS	SIGNATURE	TITLE	DATE
	<i>[Signature]</i>	Owner	12/12/67
	SIGNATURE	TITLE	DATE
	SIGNATURE	TITLE	DATE

NOTE: Pending receipt of the Certificate of Aircraft Registration, the aircraft may be operated for a period not in excess of 30 days, during which time the PINK copy of this application must be carried in the aircraft.

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JAN 22 1968

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Dec 27 3 21 PM '67
ATLANTA, GA

ATLANTA, GA

AIRCRAFT BILL OF SALE

Do not write in this block - for FAA use only.

MICROFILM CODE

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JC

For and in consideration of \$1,000 & OVC the undersigned owner(s) of the full legal and beneficial title of the aircraft described as follows:

AIRCRAFT MAKE AND MODEL

Beechcraft D55 Baron

MANUFACTURER'S SERIAL NUMBER

TE-455

NATIONALITY AND REGISTRATION MARKS

5472U

does this 12 day of December 1967, hereby sell, grant, transfer and deliver all rights, title, and interests in and to such aircraft unto:

NAME AND ADDRESS

(If individual(s), give last name, first name, and middle initial)

Dr. Thomas B. Hoover
Box 1077
Tucumcari, New Mexico

PURCHASER

CONVEYANCE
RECORDED
JAN 11 4 16 PM '68
FEDERAL AVIATION
ADMINISTRATION

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and to his executors, administrators, and assigns to have and to hold singularly the said aircraft forever, and certifies that same is not subject to any mortgage or other encumbrance except:

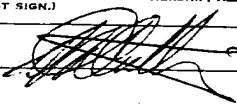
TYPE OF ENCUMBRANCE

AMOUNT

DATED

IN FAVOR OF

In testimony whereof I have set my hand and seal this 12th day of December 1967.

SELLER	NAME(S) (TYPED OR PRINTED)	SIGNATURE(S) (IN INK.) (IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN.)	TITLE (IF SIGNED FOR A CORPORATION, PARTNERSHIP, OWNER, OR AGENT.)
	S.D. Cutter Cutter Flying Service, Inc.		President

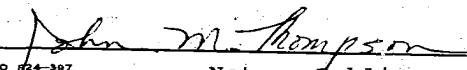
ACKNOWLEDGMENT (Not required for purposes of FAA recording; however, may be required by local law for validity of the instrument.)
State of New Mexico)
County of Bernalillo.)

The foregoing instrument was acknowledged before me this 12th day of December, 1967 by S.D. Cutter, President of Cutter flying Service, Inc., a New Mexico corporation.

My Commission Expires: 4-15-71



GPO 524-307


Notary Public

DEC 27 1966 6010.001A

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OKLAHOMA CITY, OKLA.
DEC 27 3 21 PM '81

FAA AIRCRAFT REGISTRY

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This form is only intended to be a suggested form of release which meets the recording requirements of the Federal Aviation Act of 1958 and the Regulations of the Administrator issued thereunder. In addition to these requirements, the form of release used by the mortgagee or assignee should be drafted in accordance with the pertinent provision of the local statutes. If this release form meets the local statutes, you may use this copy. Copies of this form may be reproduced, if desired.

RELEASE

The undersigned is the true and lawful holder of the note or other evidence of indebtedness secured by a mortgage on the following described aircraft:

AIRCRAFT MAKE Beechcraft Model D55
AIRCRAFT SERIAL NUMBER TE-455 FAA REGISTRATION NUMBER N5472U
The mortgage dated 11-21-67
by Cutter Aircraft Supply, Inc.
to Beech Acceptance Corp., Inc.

RECEIVED
FEDERAL AVIATION
ADMINISTRATION
JUN 11 4 16 PM '68
was executed
(Mortgagor),
(Mortgagee),

F 3 5 7 2 2

and assigned to _____

This mortgage was recorded by the Federal Aviation Agency on 12-4-67

and was assigned document number: P37438

I hereby certify and acknowledge that the above-described aircraft was released from the terms of the mortgage on 12-26-67

The signature of a person signing for a corporation other than the president, vice president, secretary, or treasurer, will not be accepted unless there is submitted a certified copy of the authority granted him by the Board of Directors of the corporation to act in that capacity.

BEECH ACCEPTANCE CORP., INC.

Name of Mortgagee or Assignee

Signature (In Ink) H. P. Anderson

Title H. P. Anderson - Asst. Secretary

ACKNOWLEDGMENT

State of Kansas

County of Sedgwick

on this 26 day of December, 1967
before me personally appeared the above-named
Mortgagee or Assignee, to me known to be the
person described in and who executed the fore-

going release, and acknowledged that he executed the same as his free act and deed, and if said release be that of a corporation swore that he was duly authorized to execute the same. Given under my hand and official seal the day and year written above.

(SEAL)

Thurmond L. Smith
Notary Public (In Ink)

My commission expires April 10, 1969

SEAL



MICRO

FEDERAL AVIATION AGENCY
AERONAUTICAL CENTER
P. O. Box 25082
Oklahoma City, Oklahoma 73125

P. DEC 4 1967

IN REPLY
REFER TO:

AC-254

Buch Acceptance Corp, Inc.
P.O. Box 85
Wichita, Kansas 67201

MORTGAGOR:

Cutter Aircraft Supply, Inc.

We have received the aircraft chattel mortgage which was submitted for recording by the Federal Aviation Agency.

This mortgage dated Nov 21, 1967, was recorded on Dec 4, 1967 as document number P37438, against aircraft registration number(s)

N 5472U.

TE-455

The above-mentioned document number should be included in the release to be executed when the mortgage is paid or satisfied. An appropriate form of release is printed on the reverse side of this letter.

The release should be signed in ink by the mortgagee or the assignee; if a corporation, signed by the president, vice president, secretary or treasurer, and acknowledged before a notary public, and submitted to this office for recording.

There is no fee for the recording of a release.

Sincerely yours,

Lester G. Robinson

Lester G. Robinson
Chief, Aircraft Registration Branch

JAN 8 1 28 PM '68

CONVEYANCE FILED WITH
FAA AIRCRAFT REGISTRY

AIRCRAFT BILL OF SALE

Do not write in this block - for FAA use only.

MICROFILM CODE

For and in consideration of \$ One Dollar the undersigned owner(s) of the full legal and beneficial title of the aircraft described as follows:

AIRCRAFT MAKE AND MODEL

BEECHCRAFT D55 Baron

MANUFACTURER'S SERIAL NUMBER

TE-455

NATIONALITY AND REGISTRATION MARKS

N5472U

does this 21 day of November 1967, hereby sell, grant, transfer and deliver all rights, title, and interests in and to such aircraft unto:

NAME AND ADDRESS

(If individuals, give last name, first name, and middle initial)

PURCHASER

Cutter Aircraft Supply, Inc.
P.O. Box 274
Albuquerque Sunport Municipal
Albuquerque, New Mexico 87103

CONVEYANCE
RECORDED
DEC 4 9 27 AM '67
FEDERAL AVIATION
ADMINISTRATION

P 37437

and to its executors, administrators, and assigns to have and to hold singularly the said aircraft forever, and certifies that same is not subject to any mortgage or other encumbrance except:

TYPE OF ENCUMBRANCE

Security Agreement
IN FAVOR OF

AMOUNT

\$52,991.25

DATED

11-21-67

Beech Acceptance Corporation, Inc., Wichita, Kansas

in testimony whereof I have set my hand and seal this 21 day of November 19 67.

SELLER	NAME(S) (TYPED OR PRINTED)	SIGNATURE(S) (IN INK, IF EXECUTED FOR CO-OWNERSHIP, ALL MUST SIGN)	TITLE (IF SIGNED FOR A CORPORATION, PARTNERSHIP, OWNER, OR AGENT.)
	BEECH AIRCRAFT CORPORATION	<i>[Signature]</i>	Assistant Secretary

SEAL

ACKNOWLEDGMENT (Not required for purposes of FAA recording; however, may be required by local law for validity of the instrument.)

OKLAHOMA CITY, OKLA.

NOV 24 11 55 AM '67

CONVEYANCE FILED WITH
FAA AIRCRAFT REGISTRY

BEECH ACCEPTANCE CORPORATION, INC. DISTRIBUTOR FLOOR PLAN SECURITY AGREEMENT

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KNOW ALL MEN BY THESE PRESENTS, that the undersigned **Cutter Aircraft Supply, Inc.**

whose chief place of business is located at **P. O. Box 274**
in the City of **Albuquerque** County of **Bernalillo** and State of **New Mexico**
hereinafter termed Debtor, and BEECH ACCEPTANCE CORPORATION, INC., hereinafter termed Secured Party, agree as follows:

I. **Creation of Security Interest.** Debtor hereby grants to Secured Party a security interest in and mortgages to Secured Party the collateral described in Paragraph II to secure the performance or payment of all the obligations and indebtedness of whatever kind and whenever created of Debtor to Secured Party.

II. **Collateral.** The collateral of this Security Agreement is the following described aircraft:
Mfr. of aircraft: **Beechcraft**
Model: **D55**
Serial No.: **TE-455**
CAA Identification mark: **N5472U**
Mfr. of engine: **Continental**
Model: **IO-520-C**
Serial No.: **L) 125936-7-C R) 125940-7-C**

REC'D
FEDERAL
ADMINISTRATION
P 3 7 4 3 8
CONVEYANCE

together with all equipment and accessories attached thereto or used in connection therewith, including the following:
Instrument Post Lights, Nose Taxi Light, Grimes Rotating Beacon, Propeller Anti-icing (alcohol) External Power Receptacle, Two 24 amp, 12-Volt Batteries, Propeller Unfeathering Accumulators, Fifth and Sixth Seat Arrangement, Cargo Door, Extended Range Wing Tanks, Super Soundproofing w/heavy windows, Charge to delete 3 blade propellers and add 2-blade, offline and overtime, Radio: King KX-160 w/KI-201, Bendix ADF-T-12C

SEE RECORDED
CONVEYANCE
NUMBER **F 35-722**

and together with all the tires, other equipment and attachments thereon or which may be added thereto or which may be substituted for or used to replace present tires, equipment, and attachments upon said airplane, and all additions and accretions thereto and all proceeds of its sale or other disposition.

III. Obligations of Debtor.

A. **Obligation to Pay.** Debtor shall pay to Secured Party the sum or sums evidenced by the Promissory Note or notes executed in connection with or for additional advances subsequent to and all pursuant to this Security Agreement in accordance with the terms of the note or notes, and

(1) Debtor shall pay immediately, without notice, if Secured Party so elects, the entire unpaid indebtedness to Secured Party upon default or if Secured Party deems itself insecure, and

(2) Debtor shall pay all expenses, including reasonable attorneys fees and legal expenses, in connection with Secured Party's exercise of any of its rights and remedies under Paragraph V.

B. Additional Obligations of Debtor.

(1) That Debtor shall preserve and keep in good condition the collateral and retain the actual possession and control thereof.

(2) That Debtor shall keep the collateral free from all claims and encumbrances and warrants and shall defend it against all claims and demands whatsoever, and will pay promptly when due all taxes, license fees and other public and private charges levied or assessed and satisfy all liens against said collateral, which shall at all times be at Debtor's risk.

(3) That Debtor shall keep the collateral insured until this Security Agreement is terminated against all expected risks to which it is exposed and those which Secured Party may designate, in amounts not less than the principal aggregate amount of this promissory note or notes executed in connection with this Security Agreement, with the policies acceptable to Secured Party and payable to both Secured Party and Debtor, as their interests appear, and with duplicate copies deposited with Secured Party and Secured Party is authorized to purchase for Debtor, such fire and other insurance in such forms and amounts and all premiums for such insurance shall be repaid to Secured Party by Debtor, upon demand, and shall be secured by this Security Agreement. Secured Party or its assigns is hereby irrevocably appointed attorney in fact for Debtor to endorse for and to make claims of loss and to sign proofs of loss against any insurance company and to receipt for all payments. Secured Party may, at its option, cancel any such insurance at any time and shall receive the return premium. All risk of loss, damage or destruction shall at all times be on Debtor.

(4) That Debtor shall keep the collateral based at **Albuquerque Sunport Municipal Airport**, County of **Bernalillo** State of **New Mexico**, where Secured Party may inspect it at any time, except for its temporary removal in connection with its ordinary use.

(5) That Debtor shall not lend, rent, lease or otherwise dispose of the collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party and Debtor shall keep the collateral free from unpaid charges, including taxes, and from liens, encumbrances and security interests other than that of Secured Party, and

(6) That Debtor shall at all times keep the collateral and its proceeds separate and distinct from other property of the Debtor and shall keep accurate and complete records of the collateral and its proceeds.

IV. **Default.** Time is of the essence hereof. Misrepresentation or misstatement in connection with, non-compliance with or non-performance of any of Debtor's obligations or agreements under Paragraphs III and VII shall constitute default under this Security Agreement. In addition, Debtor shall be in default if it becomes insolvent or ceases to do business as a going concern, or if the collateral or any of it be lost, secreted, misused, or destroyed, or should said collateral be hired out or used to carry passengers for hire without the written consent of Secured Party, or should said collateral be used in violation of any state or federal statute or ordinance, or if any execution, attachment or other writ shall be levied upon said collateral, or if a petition in bankruptcy or for arrangement or reorganization be filed by or against Debtor, or property of Debtor be attached or a receiver be appointed for Debtor, or if Debtor makes an assignment for the benefit of creditors, or whenever Secured Party may deem the indebtedness or collateral insecure.

V. Secured Party's Rights and Remedies.

A. Secured Party may assign this Security Agreement, and

(1) If Secured Party does assign this Security Agreement, the Assignee shall be entitled, upon notifying Debtor, to performance of all of Debtor's obligations and agreements under Paragraphs III and VII, and Assignee shall be entitled to all of the rights and remedies of Secured Party under this Paragraph V.

(2) Debtor will assert no claims or defenses it may have against Secured Party against the Assignee except those granted in this Security Agreement.

B. Upon Debtor's default, the indebtedness herein described and all other debts then owing by Debtor to Secured Party or its assignee shall, at the option of the Secured Party and without notice, become due and payable forthwith, and Secured Party may exercise its rights of enforcement under the Uniform Commercial Code in force in Kansas at the date of this Security Agreement and, in conjunction with, addition to or substitution for those rights, at Secured Party's discretion, may:

(1) Enter upon Debtor's premises to take possession of, assemble and collect the collateral or to render it unusable, and

NOV 24 11 17 AM '81

- (2) Require Debtor to assemble the collateral and make it available at a place Secured Party designates which is mutually convenient, to allow Secured Party to take possession or dispose of the collateral, and
- (3) Waive any default or remedy any default in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default, and
- (4) Make any improvements, or repairs which it deems advisable upon the collateral, the cost of which will be secured by this Security Agreement, and
- (5) Written notice mailed to Debtor at the chief place of business, designated at the beginning hereof, five days prior to the date of public sale of the collateral or prior to the date after which private sale of the collateral will be made shall constitute reasonable notice, and

Debtor waives the benefit of all exemption laws.

VI. Rights and Remedies of Debtor. Debtor shall have all of the rights and remedies before or after default provided in Article 9 of the Uniform Commercial Code in force in the State of Kansas at the date of this Security Agreement.

VII. Additional Agreements and Affirmations.

A. Debtor agrees and affirms:

- (1) That information supplied and statements made by it in any financial or credit statement or application for credit to this Security Agreement are true and correct, and
- (2) That, except for the security interest granted in this Security Agreement, there is no adverse lien, security interest or encumbrance in or on the collateral, and
- (3) That Debtor's chief place of business is that which appears at the beginning hereof.

B. Mutual Agreements:

(1) "Debtor" and "Secured Party" as used in this Security Agreement include the heirs, executors or administrators, successors or assigns of those parties.

(2) If more than one Debtor executes this Security Agreement, their obligations under this Security Agreement shall be joint and several.

(3) The law governing this secured transaction shall be that of the State of Kansas in force at the date of this Security Agreement.

(4) If any part hereof is contrary to, prohibited by or deemed invalid under the applicable laws or regulations of any jurisdiction, such provision shall be inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof.

EXECUTED IN TRIPLICATE THIS 21 day of November, 19 67.

DEBTOR

CUTTER AIRCRAFT SUPPLY, INC.

ATTEST: (Seal)

By H. P. Anderson
(Signature of Debtor and Title)

Secretary

Attorney in Fact

SECURED PARTY

BEECH ACCEPTANCE CORPORATION, INC.

ATTEST: (Seal)

By A. R. Bell
(Signature of Secured Party and Title)

Secretary

A. R. Bell - Executive Vice President

Acknowledgment by Individual or Partner

STATE OF _____ }
COUNTY OF _____ } SS.

Be IT REMEMBERED, That on this _____ day of _____, 19____, before me the undersigned, a _____ in and for the County and State aforesaid, came _____ who personally known to me to be the same person who executed the foregoing instruments of writing and such person duly acknowledged the execution of the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my _____ seal the day and year above written.

Term expires: _____

Notary Public

Acknowledgment by Corporation

STATE OF Kansas }
COUNTY OF Sedgwick } SS.

BE IT REMEMBERED, That on this 21 day of November, 1967, before me the undersigned, a Notary public in and for the County and State aforesaid, personally appeared H. P. Anderson - Attorney in Fact of Cutter Aircraft Supply, Inc., a corporation,

to me personally known to be the person who executed the foregoing instruments as Attorney in Fact of said corporation, and such person duly acknowledged the execution of the same as Attorney in Fact for and on behalf of, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

My commission expires: April 10, 1969

Notary Public

Acknowledgment by Beech Acceptance Corporation

STATE OF Kansas }
COUNTY OF Sedgwick } SS.

BE IT REMEMBERED, That on this 21 day of November, 19 67, before me the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared A. R. Bell - Exec. Vice Pres. of BEECH ACCEPTANCE CORPORATION, INC., a corporation, to me personally known to be the person who executed the foregoing instrument as Exec. Vice Pres. of said corporation, and such person duly acknowledged the execution of the same as Exec. Vice Pres. for and on behalf of, and as the act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal the day and year last above written.

My commission expires: April 10, 1969

Notary Public