

CHattel Mortgage of Aircraft

THIS MORTGAGE made this 24th day of December, 1947, ASSOCIATED AIR TRANSPORT, INC. of N.W York County of New York State of New York

XXXXXX a Delaware corporation hereinafter designated as MORTGAGOR, of UNITED SERVICES FOR AIR, INC. of Niagara Falls County of Niagara State of New York

Table with columns: Manufacturer's Name and Trade Name, Year Manufactured, Model, Motor Name & Type, Motor No., Registration Certificate No. Includes handwritten entries: Curtiss, C-46, D, 44-7784, NS 98855.

XXXXXX located at Niagara New York together with all equipment, parts, appliances, appurtenances and replacements thereof, now or hereafter to be placed thereon, which shall become a component part of said aircraft as security for the payment

of \$29,378.76 a copy whereof is attached to and made a part of this Chattel Mortgage

All extensions and renewals of said note, or any part thereof, advanced thereunder and all costs of litigation, collection (including attorney's fees or other costs expended or incurred in connection with the recovering, locating or taking possession of said aircraft) and any and all costs of returning said aircraft to the situs above referred to (including costs of repairing, rehabilitating or storing said aircraft) together with interest at six per cent (6%) on any delinquent instalments on said note, are all likewise secured hereby.

The terms and conditions of this Chattel Mortgage are as follows: (1) The Mortgagor does hereby warrant that he is the sole owner of the aircraft described herein and that there are no liens or encumbrances or adverse claims of any kind whatever thereon or on any part thereof.

(2) Mortgagor agrees that he will neither use, nor permit said aircraft to be used, for any unlawful purpose; that he will register, use, operate and control the same in accordance with all statutes, laws, ordinances and regulations relating to the registration, use, operation and control of said property.

(3) The Mortgagor will not, nor will he attempt to, assign, pledge, mortgage, hypothecate or otherwise dispose of said aircraft, or any part thereof, during the term of said note and mortgage, nor will he remove said aircraft, or permit the same to be removed, from the county where said aircraft is permanently located, as set forth herein, for any period in excess of ten (10) days, without the written consent of the Mortgagee first had and obtained.

(4) Mortgagor agrees to exhibit said aircraft to Mortgagee upon demand and to keep the said aircraft in as good condition and repair as it now is, ordinary wear and tear excepted, and to house the same in suitable shelter, and to promptly pay all taxes levied or assessed thereon and all fees which may attach thereto. When the service of any notice upon the Mortgagor is necessary or convenient, the same may be had by deposit in the United States mail, postage prepaid, directed to Mortgagor at his address set forth herein.

(5) Mortgagor agrees to take out pay for and keep in full force and effect a policy or policies of insurance, in form satisfactory to Mortgagee and issued by an insurance carrier approved by Mortgagee (covering both Mortgagee and Mortgagor) for the hazards of fire, theft and total or partial destruction, and such additional hazards as may be mutually agreed upon by Mortgagor and Mortgagee, and the loss under every such policy shall be paid first to the Mortgagee or its assigns up to the amount of the obligation secured, and the balance under any such policy to be paid first to the Mortgagor. In the event that Mortgagee should for any reason fail to take out said insurance above referred to, or pay for the same, the Mortgagor may, at the cost and expense of the Mortgagor, take out and pay for such insurance, and any sums advanced therefor shall be added to the principal of said promissory note and secured by this Chattel Mortgage as set forth in paragraph (6) following. Any sums received upon cancellation of any policy may be applied by Mortgagee upon the then remaining balance of any obligation secured hereby.

(6) Should Mortgagee make any advance or advances or spend any money for the protection or preservation of its security, or should there accrue or be due any collection costs or other obligations arising under this contract, such advance or advances, together with such collection costs or other obligations arising under this contract and unpaid shall be added to the unpaid principal of said promissory note and shall be secured by said mortgage, and such advance or advances and collection costs shall all become immediately due and payable with interest at the hereinabove mentioned rate per annum, payable monthly, and the Mortgagee shall have the right upon receipt of any instalment or payment due under the terms of said note and mortgage to apply the same, first in satisfaction of any collection costs or other monies advanced by Mortgagee hereunder; second, to the satisfaction of any unpaid interest, and, third, the balance of said instalment or instalments in payment of principal, and should there be a deficiency in the amount of any instalment or payment after the payment of said costs as in this agreement provided, such deficiency shall be payable forthwith, and the failure on the part of the Mortgagor to pay or satisfy same shall accelerate for immediate payment the entire unpaid balance of said obligation, including all advances made, collection costs and interest accrued, and Mortgagee may exercise such right or rights as are reserved to Mortgagee under the terms of this mortgage.

(7) Should Mortgagor fail to make payment of any part of the principal or interest as provided in said promissory note, or if any breach be made of any obligation or promise of the Mortgagor herein contained or secured, or if Mortgagor shall abandon said aircraft, or regardless of any other default, if said aircraft be attached or bankruptcy proceedings be instituted by or against Mortgagor, then the whole principal sum unpaid upon said promissory note with interest accrued thereon, and all other sums of money due or unpaid at the time of said default, and interest thereon, or advanced under the terms of this mortgage, or secured hereby, and the interest thereon, shall immediately become due and payable at the option of the Mortgagee, without notice to the Mortgagor, and it may at once proceed to foreclose this mortgage according to law, or it may, at its option, and it is hereby empowered so to do, enter upon the premises where the said mortgaged property may be and take possession thereof; and remove and sell and dispose of the same at public or private sale without any previous demand of performance or notice to the Mortgagor of any such sale whatsoever, notice of sale and demand of performance and every other notice or demand whatsoever being hereby expressly waived by said Mortgagor and from the proceeds of sale retain all costs and charges incurred by it in the said taking or sale, including reasonable attorney's fees incurred; also all sums due on said promissory note under any provisions thereof, or advanced under the terms of this mortgage, and interest thereon, or due or owing to the said Mortgagee under any provisions of this mortgage, or secured hereby, with interest thereon, and any surplus of such proceeds remaining shall be paid to the Mortgagor, or to whomsoever may be lawfully entitled to receive the same; if there be a deficit, Mortgagor agrees immediately to pay the same to Mortgagee.

Mortgagee, or its agent, may bid and purchase at any sale made under this mortgage or herein authorized, or at any sale made upon foreclosure of this mortgage.

(8) Mortgagor further agrees that if from any cause there shall be a substantial decrease in the value of said mortgaged property, the said Mortgagee shall have the option of demanding of said Mortgagor further security in order to offset the said decrease in value, and upon the failure of said Mortgagor to give said additional security, Mortgagee may proceed in the same manner as herein provided in case of any other default.

(9) This agreement shall bind and inure to the benefit of the parties hereto and their executors, administrators, heirs and assigns, and the word "Mortgagor" as used herein includes masculine, feminine and neuter, singular and plural.

It is further specifically agreed that the taking of any action by the Mortgagee shall not be deemed to be an election of that action, but rather, the rights and privileges and options granted to the Mortgagor under the terms of this mortgage shall be deemed cumulative, the one with the other, and not alternative.

Mortgagor declares that he has read this Chattel Mortgage and understands the effect and purport of the same. Time is declared to be the essence of said note and this mortgage with respect to the performance of the covenants and obligations set forth herein and it is further specifically agreed that no waiver by the Mortgagee of any breach or default of or by the Mortgagor, whether under the terms of the aforesaid note, or of this mortgage, shall be deemed a waiver of any breach or default thereafter occurring.

(continued on next page)

STATE OF _____ } ss. County of _____ }

On this _____ day of _____, 19____, before me, _____

a Notary Public in and for said _____ County, personally appeared _____

known to me to be the person or persons whose name subscribed to the foregoing instrument, and acknowledged that he executed the same.

WITNESS my hand and official seal.

Mortgagor Address

CASHIER'S SECTION 12 23 PM 1948

CIVIL ACTION

CHattel MORTGAGE BY ASSOCIATED AIR TRANSPORT, INC.

TO UNITED SERVICES FOR AIR, INC.

(continued from printed form)

-1: That the Mortgagor will procure and maintain "Comprehensive, including Crash" insurance coverages on said aircraft under a standard "Aircraft Hull Policy" form with said company(ies) and in such amount(s) as shall be satisfactory to the Mortgagee; that the Mortgagor will deposit such a policy with the Mortgagee simultaneously with the execution and delivery of this Chattel Mortgage; that the Mortgagor will deposit with the Mortgagee, at least thirty (30) days prior to the expiration of such policy and any subsequent policy, the new policy(ies) providing such coverage(s) to the end that there shall always be in the possession of the Mortgagee, a policy or policies providing such insurance coverage(s) expiring not less than thirty (30) days thereafter; that each such policy of insurance will provide by appropriate endorsement(s) that: a. such policy will apply while said aircraft is located or being operated anywhere in the world; b. such policy shall fully cover the Mortgagee, notwithstanding any breach of any warranties and/or conditions of said policy; c. all proceeds and sums recoverable thereunder shall be paid exclusively to the Mortgagee for the account of all interests; d. such policy may be cancelled at any time at the request of the Mortgagee, and, e. in the event of cancellation thereof, whether by the Mortgagor, the Mortgagee or the insurance company(ies) issuing such policy(ies), all return premiums payable by such insurance company or companies shall be paid to the Mortgagee for the account of all interests; that all sums received by the Mortgagee upon or in respect to such policy of insurance, at the option of the Mortgagee, may be applied toward the payment of the obligations and indebtednesses hereby secured in such manner and amounts as the Mortgagee may elect (in which event any excess remaining after such payment shall be paid to the Mortgagor, or to whomsoever may be entitled thereto) or toward the repair and replacement of such aircraft, or partly toward such payment and partly toward such repair and replacement. The Mortgagor further agrees that the Mortgagor will procure and maintain insurance on the life of Charles F. Blair, Jr., its President, with such company(ies) and in such amount(s) as shall be satisfactory to the Mortgagee and will assign such insurance and deliver the policy(ies) therefor to the Mortgagee as additional collateral security for the payment and performance of the Mortgagor's obligations and agreements hereunder; that if the Mortgagor should, for any reason, fail to procure and maintain any such insurance, or so to deposit the policy(ies) therefor with the Mortgagee, or so to pay any of the premiums thereon, the Mortgagee may (but shall be under no obligation to) procure and maintain any such insurance and/or pay any such premiums; and any sums advanced therefor shall be added to the principal of said promissory note, be payable forthwith and be secured by this Chattel Mortgage as set forth in paragraph (A) following.

STATE OF NEW YORK
COUNTY OF Erie

SS.

On this 24th day of December, 1947, before me personally came CHARLES F. BLAIR, Jr., to me known who being by me duly sworn, did depose and say that he resides in Port Washington, Nassau County, New York; that he is the President of Associated Air Transport, Inc., the corporation described in, and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Charles F. Blair

Notary Public, etc.

CHARLES F. BLAIR—Reg. No. 49
Notary Public in the State of New York
Residing in Erie County at time of Appointment
16th Dec. 1949

STATE OF NEW YORK
COUNTY OF Erie

SS.

On this 24th day of December, 1947, before me personally came CHARLES F. BLAIR, Jr., to me personally known and known to me to be the same person described in and who executed the within instrument, and he duly acknowledged to me that he executed the same.

Charles F. Blair

Notary Public, etc.

CHARLES F. BLAIR—Reg. No. 49
Notary Public in the State of New York
Residing in Erie County at time of Appointment
16th Dec. 1949