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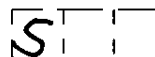
COMPANIES FORM No. 395

Particulars of a mortgage or charge**395****A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.**Please do not
write in
this marginPlease complete
legibly, preferably
in black type or
bold block
lettering* Insert full name
of company

Pursuant to section 395 of the Companies Act 1985

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

For official use Company number



03720932

Name of company

*Excel Aviation Limited (the *Company*)

Date of creation of the charge

18 August 2008

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

Security Agreement dated 18 August 2008 between (among others) the
Company as Chargor and Straumur-Burdaras Investment Bank HF as security
agent (the *Security Agreement*)

Amount secured by the mortgage or charge

Any and all present and future sums, liabilities and obligations (actual
or contingent and whether incurred solely or jointly with any other
person and whether as principal or surety) owing by any Obligor to a
Secured PartyAll capitalised terms used in this Form 395 shall have the meaning given
to them in Continuation Sheet Number 2 unless defined elsewhere in this
Form 395

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

Straumur-Burdaras Investment Bank hf, Borgartún 25, 105 Reykjavík,
Iceland (the *Security Agent*)

Postcode

Presenter's name, address and
reference (if any)FRESHFIELDS BRUCKHAUS
DERINGER LLP
65 FLEET STREET, LONDON
ENGLAND
UNITED KINGDOM EC4Y 1HS
DX 23 LONDON/CHANCERY LANTime critical reference
150984/0004 (NAF)

For official use (02/2006)

Mortgage Section

Post room

THURSDAY



LD3

L1OIL2NJ

28/08/2008

85

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see Continuation Sheet Number 1 attached to this Form 395

Please do not
write in
this margin

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

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

† Delete as
appropriate

Particulars as to commission allowance or discount (note 3)

N11

Signed Freshfields Bruckhaus Deringer Date 28 August 2008

On behalf of ~~[company]~~ [mortgagee/chargee] †

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is - Companies House, Crown Way, Cardiff CF4 3UZ.

CONTINUATION SHEET NUMBER 1

Particulars of all the Property Mortgaged or Charged

1. CREATION OF SECURITY

1.1 Legal mortgages

The Company charges and agrees to charge by way of first legal mortgage (or in the case of Mortgaged Property for so long as such security is in place, third legal mortgage)

- (a) all Real Estate in England or Wales vested in it on the date of the Security Agreement, and
- (b) all Group Shares belonging to it on the date of the Security Agreement

1.2 Fixed charges

The Company charges and agrees to charge by way of first fixed charge all its rights, title and interest from time to time in and to

- (a) Real Estate (to the extent not the subject of a mortgage under Clause 3 1 (*Legal mortgages*) of the Security Agreement),
- (b) Investments (to the extent not the subject of a mortgage under Clause 3 1 (*Legal mortgages*) of the Security Agreement),
- (c) plant, machinery, vehicles, office equipment, computers and other chattels (excluding any forming part of its stock in trade or work in progress) and all Related Rights,
- (d) Accounts,
- (e) to the extent not effectively assigned under Clause 3 3 (*Assignments*) of the Security Agreement, Insurance Policies and the Assigned Agreements to which it is party,
- (f) any goodwill and rights in relation to its uncalled capital,
- (g) the benefit of all consents and agreements held by it in connection with the use of any of its assets,
- (h) Intellectual Property,
- (i) any beneficial interest, claim or entitlement of it to any assets of any pension fund, and
- (j) Monetary Claims,

provided that any Security created by XL Airways UK Limited shall rank behind any Security Interest granted by XL Airways UK Limited in existence at the date of the Security Agreement

1.3 Assignments

The Company assigns absolutely and agrees to assign absolutely all its right, title and interest from time to time in and to

- (a) its Insurance Policies, and
- (b) each Assigned Agreement to which it is a party

1.4 Floating charge

- (a) The Company charges by way of first floating charge all its present and future undertaking and assets of whatever type and wherever located
- (b) The floating charge created by the Company pursuant to Clause 3 4 (a) of the Security Agreement shall be deferred in point of priority to all other Security
- (c) The floating charge created by the Company pursuant to Clause 3 4 (a) of the Security Agreement is a “qualifying floating charge” for the purposes of paragraph 14 2(a) of Schedule B1 to the Insolvency Act 1986 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the Security Agreement

2. CONVERSION OF FLOATING CHARGE

2.1 Conversion by notice

The Security Agent may by notice to the Company convert the floating charge created by the Company under Clause 3 4 (*Floating charge*) of the Security Agreement with immediate effect into fixed charges as regards all or any of the Company’s assets, rights and property specified in the notice if

- (a) an Enforcement Event has occurred,
- (b) the Security Agent considers any Security Asset subject to such floating charge to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy, or
- (c) the Security Agent considers that such conversion is necessary in order to protect the value of the Security Assets or the priority of the Security

2.2 Automatic conversion

The floating charge created under Clause 3 4 (*Floating charge*) of the Security Agreement shall automatically and immediately be converted into a fixed charge over all of the Company’s assets not already subject to an effective fixed charge

- (a) if the Company takes any step to create any Security Interest in breach of Clause 5 (*Restriction on dealings*) of the Security Agreement over any of the Security Assets subject to such floating charge,

- (b) if any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Security Assets subject to such floating charge, or
- (c) on the taking of any corporate action, legal proceeding or other procedure referred to in paragraph (i) of Clause 14 1(f) (*Insolvency proceedings*) of the Senior Credit Agreement

2.3 Moratorium

The floating charge created under Clause 3 4 (*Floating charge*) of the Security Agreement may not be converted into a fixed charge solely by reason of the obtaining of a moratorium or anything done with a view to obtaining a moratorium under the Insolvency Act 2000

2.4 Reconversion to floating charge

Any floating charge which has crystallised under Clause 4 1 (*Conversion by notice*) of the Security Agreement or Clause 4 2 (*Automatic conversion*) of the Security Agreement may by notice in writing given at any time by the Security Agent to the Company be reconverted into a floating charge under Clause 3 4 (*Floating charge*) of the Security Agreement in relation to the assets specified in such notice

3. RESTRICTION ON DEALINGS

The Company may not

- (a) create or permit to subsist any Security Interest on any of the Security Assets, or
- (b) (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) dispose of all or any part of the Security Assets,

unless permitted to do so under the Senior Credit Agreement

CONTINUATION SHEET NUMBER 2

Definitions

Accession Document means a document substantially in the form set out in Schedule 7 to the Senior Credit Agreement (or such other form as the Lender approves) by which a Group Member becomes a Guarantor,

Accounts of the Company means all current, deposit or other accounts with any bank or financial institution in which it now or in the future has an interest and (to the extent of its interest) all balances now or in the future standing to the credit of or accrued or accruing on the accounts,

Additional Chargor means a person who has acceded to the Security Agreement as an Additional Chargor by executing an Accession Document,

Assigned Agreements means any agreement designated as an Assigned Agreement by the Company and the Security Agent and (in each case) all Related Rights,

Borrower means XL Leisure Group PLC,

Chargor means each Original Chargor and each Additional Chargor,

Enforcement Event means the occurrence of an Event of Default pursuant to which the Lender exercises any of its rights under clause 14.2 (*Acceleration*) of the Senior Credit Agreement,

Event of Default means any event specified in Clause 14.1 (*Events of Default*) of the Senior Credit Agreement,

Group means the Borrower and its Subsidiaries from time to time and **Group Member** means any of those persons,

Group Shares means, in relation to the Company, the shares in any Group Member owned legally or beneficially by it or held by the Security Agent or any nominee on its behalf (including the shares identified in respect of the Company (if any) in Part B of Schedule 2 to the Security Agreement) and all Related Rights,

Guarantor means each person identified in Schedule 2 to the Senior Credit Agreement,

Insurance Policy means, in relation to the Company, any contract or policy of insurance of any kind in which the Company has an interest from time to time and all Related Rights,

Intellectual Property means patents and patent applications, trade and service marks and applications, brand and trade names, copyrights and rights in the nature of copyright, design rights, registered designs, and applications for registered design, trade secrets, know-how and all other intellectual property rights throughout the world and all rights under any agreements relating to the use or exploitation of any such rights,

Investments means, in relation to the Company, any stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund and any other investment (whether or not marketable) whether held directly by or to the order of the Company or by any trustee, fiduciary or clearance system on its behalf (including the Group Shares) and all Related Rights,

Lender means Straumur-Burðarás Investment Bank HF,

Monetary Claims means, in relation to the Company, any book and other debts and monetary claims owing to the Company (other than in respect of any Account) and all Related Rights,

Original Chargors means the companies listed as chargors in Schedule 1 to the Security Agreement,

Mortgaged Property means the freehold property details of which are set out in Schedule 3 to the Security Agreement,

Obligors means the Borrower and each Guarantor,

Real Estate means, in relation to the Company

- (a) any freehold, leasehold, licence or other interest in any immovable property (including the property identified in respect of the Company in Part A of Schedule 2 (if any) to the Security Agreement) and all Related Rights, and
- (b) any buildings, trade and other fixtures or fittings forming part of such property and all Related Rights,

Related Rights means, in relation to any asset

- (a) all rights under any licence, agreement for sale or agreement for lease or other use in respect of all or any part of that asset,
- (b) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any part of that asset,
- (c) the proceeds of sale of all or any part of that asset, and
- (d) any other moneys paid or payable in respect of that asset,

Security means any Security Interest created under or pursuant to the Security Agreement,

Security Assets means all the assets and undertaking of the Company from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) pursuant to the Security Agreement,

Security Interest means any mortgage, charge, pledge, lien, assignment or other security interest or any other agreement, trust or arrangement (including a right of set-off or combination) having a similar effect,

Senior Credit Agreement means the agreement dated 18 August 2008 between, *inter alia*, XL Leisure Group PLC as borrower and certain of its subsidiaries as guarantors, Straumur-

Burdaras Investment Bank HF as lender (as amended, varied, supplemented, superseded, increased or extended from time to time),

Secured Parties means Straumur-Burdaras Investment Bank HF and Barclays Bank plc, and

Subsidiary means, in relation to a person, an entity of which that person owns directly or indirectly more than 50 per cent of the share capital or whose management and policies that person directly or indirectly has the power to direct whether through the ownership of shares, contract or otherwise

Words importing the plural include the singular and vice versa



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY NO. 3720932
CHARGE NO. 5

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED 18
AUGUST 2008 AND CREATED BY EXCEL AVIATION LIMITED
FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM
ANY OBLIGOR TO A SECURED PARTY ON ANY ACCOUNT
WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1
PART XII OF THE COMPANIES ACT 1985 ON THE 28 AUGUST
2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 29 AUGUST 2008



Companies House
— for the record —

PJ



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES