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COMPANIES FORM No. 155(6)b

**Declaration by the directors
of a holding company in
relation to assistance for the
acquisition of shares****155(6)b**

CHFP025

Please do not
write in this
margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block letteringTo the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

[] [] [] [] [] []

00806836

Name of company

NotePlease read the notes
on page 3 before
completing this form.

* Palmhall Group Limited

* insert full name
of company* insert name(s) and
address(es) of all
the directors

[Signature] / We *[Signature]* David Charles Russell Allen of Great Moonshine, Flaunden, Herts HP3
OPL, John Charles Cook of Ladygrove Farm, School Lane, Preston nr
Hitchin, Herts, SG4 7SA, Peter Woodstock Harris of Sallow Copse,
Ringshall, Berkhamstead, Herts HP4 1LX, Robert Seaton of 6 Eldon
Grove, London NW3 5PS, David Roy Whitelam of 8 Staines Square,
Dunstable, Beds, LU6 3JQ

† delete as
appropriate

[Signature] ~~the sole director~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

§ delete whichever
is inappropriate

The business of this company is:

- [Signature]* ~~(a) that of a recognised bank licensed institution within the meaning of the Banking Act 1979~~
~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom~~
(c) something other than the above§

[Signature] This company is [the] [a] holding company of* BL (British Holidays) Limited

[Signature] _____ which is

proposing to give financial assistance in connection with the acquisition of shares

in this company [Colaingrove Limited ~~See Schedule 3A~~]

[Signature] _____ the holding company of this company.†

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

Clifford Chance Limited Liability
200 Aldersgate Street
London
EC1A 4JJ

For official Use
General SectionLD3
COMPANIES HOUSE

LDUDU060

0641
30/10/00

22.10
The assistance is for the purpose of ~~that acquisition, reducing or discharging a liability incurred for the purpose of that acquisition~~† (note 1)

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: 1,000,000 ordinary shares of £1 each ~~and see schedule 3~~

The assistance is to be given to: (note 2) Bourne Leisure Limited, 1 Normandy Court, 1 Wolsey Road, Hemel Hempstead, Hertfordshire, HP2 4TU

The assistance will take the form of:

See Schedule 1

20.10
The person who ~~has acquired~~ ~~will acquire~~† the shares is: Foray 989 Limited

† delete as appropriate

The principal terms on which the assistance will be given are:

See Schedule 2

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is nil

The amount of cash to be transferred to the person assisted is £ nil

The value of any asset to be transferred to the person assisted is £ nil

Please do not write in this margin

the date on which the assistance is to be given is 8 weeks from date hereof

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

~~1~~ We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

~~1~~ We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date)* (note 3)

* delete either (a) or (b) as appropriate

~~(b) It is intended to commence the winding up of this company within 12 months of that date, and we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.* (note 3)~~

And we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 200 Aldersgate Street
London

Declarants to sign below

Day Month Year
on 23 10 2000

before me

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

JOHN W SMITH
Solicitor of the Supreme Court
of England and Wales
LONDON
TEL: 0207 328 1355 FAX: 0207 328 5336

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

PALMHALL GROUP LIMITED

Company No. 0906936

Financial Assistance Declaration (s155(6)(b))

This is the document referred to in the Statutory Declaration dated 21/10/ 2000.

SCHEDULE 1

Form of Financial Assistance

The financial assistance will take the form of:

A. the execution, delivery and performance by B.L. (British Holidays) Limited ("the Company") of:

1. a guarantor accession agreement to be entered into between, *inter alia*, the Company and the Facility Agent (the "**Senior Guarantor Accession Agreement**") under which the Company will accede as an Additional Guarantor to the Senior Facility Agreement (the "**Senior Facility Agreement**") and will accede to the Priority Agreement;
2. a guarantor accession agreement to be entered into by the Company and the Mezzanine Agent (the "**Mezzanine Guarantor Accession Agreement**") under which the Company will accede as an Additional Guarantor to the Mezzanine Facility Agreement and will accede to the Priority Agreement;
3. an inter-company credit agreement (the "**Inter-Company Credit Agreement**") to be entered into between, *inter alia*, Company and its subsidiaries, Bourne Leisure Limited and others pursuant to which certain sums will be upstreamed to assist with Bourne Leisure Limited's complying with its payment obligations under the Finance Documents;
4. a debenture to be entered into by, *inter alia*, the Company, Bourne Leisure Limited, and Barclays Bank PLC as security trustee (the "**Debenture**") which is required pursuant to the terms of the Senior Facility Agreement and the Mezzanine Facility Agreement;
5. a letter of support from amongst others Bourne Leisure Limited to the Company and its subsidiaries (the "**Letter of Support**"); and
6. hedging agreements to be entered into by the Company and/or its subsidiaries and the relevant Hedging Bank (the "**Hedging Agreements**"),

by the performance of any other acts or the execution of any other documents ancillary or otherwise relating to the above documents; and

Senior Facility Agreement as amended, restated or varied from time to time means a loan agreement dated 27 September 2000 between, amongst others, Bourne Leisure Limited, Barclays Bank PLC as Arranger, Original Bank, Documentary Credit Bank, Facility Agent,

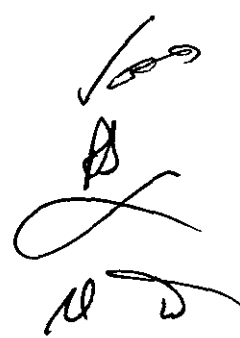
and Security Agent (each as defined therein) (the "**Senior Lenders**") as amended by an amendment and confirmation letter to be entered into by the same parties thereto under which the Senior Lenders will provide term loan facilities in an aggregate amount of £572,500,000 to Bourne Leisure Limited and certain of its subsidiaries as Borrowers to assist in financing the Acquisition, together with a revolving facility in an amount up to £70,000,000 for general corporate and working capital purposes of the members of the Group.

Mezzanine Facility Agreement means a loan agreement dated 27 September 2000 between, *inter alia*, Bourne Leisure Limited, the Lenders defined therein, Facility Agent and the Security Agent (each as defined therein) (the "**Mezzanine Lenders**") as amended by an amendment and confirmation letter to be entered into by the same parties thereto under which the Lenders will provide term loan facility in an aggregate amount of £80,000,000.

Priority Agreement, as amended, restated or varied from time to time, means a subordination agreement dated 27 September 2000 between, *inter alia*, Bourne Leisure Limited, Hedging Banks, the Senior Creditors, the Senior Agent, the Security Agent, the Mezzanine Creditors, the Mezzanine Agent, the Borrowers and the Guarantors and the Inter-company Creditors and Inter-company Debtors (each terms as defined therein) as amended by a supplemental agreement to be entered into by the same parties thereto.

B. the Company's taking of steps detailed or contemplated in the structure paper produced by Ernst & Young in relation to the acquisition in relation to which the documents listed at (1) to (4) above relate (the "**Structure Paper**") to be taken by it (the "**Structure Steps**") including, without limitation, the execution of all the documentation (and the performance of obligations thereunder) and the taking of any other action, in each case necessary or desirable in order to implement such steps.

Unless the contrary intention appears, a term defined in this document has the same meaning as in the Senior Facility Agreement, Mezzanine Facility Agreement, Priority Agreement or Debenture, as the case may be.

Handwritten signature and initials in the bottom right corner of the page.

PALMHALL GROUP LIMITED

Financial Assistance Declaration (s155(6)(B))

This is the document referred to in the Statutory Declaration dated 20/10/2000.

SCHEDULE 2

The principal terms on which the assistance by B.L. (British Holidays) Limited (the "Company") will be given are:

A.

1. Under the terms of the Debenture the Company as beneficial owner and with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 as security for the payment, discharge and performance of all Secured Liabilities (the "Secured Liabilities") at any time owed or due to the Lenders (or any of them), charges in favour of the Security Agent (as agent and trustee for the Lenders):

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Lenders (or any of them) under each or any of the Senior Finance Documents and the Mezzanine Finance Documents together with all costs, charges and expenses incurred by any Lender in connection with the protection, preservation or enforcement of its respective rights under the Senior Finance Documents or the Mezzanine Finance Documents (as the case may be) or any other document evidencing or securing any such liabilities.

- 1.1 By way of a first legal mortgage all the property (if any) now belonging to it and specified in Schedule 2 of the Debenture and/or in the Schedule to the Deed of Accession by which it became party thereto (where relevant), together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants subject, in the case of any leasehold properties, to any necessary third party's consent to such mortgage being obtained;
- 1.2 By way of first legal mortgage all estates or interests in any freehold or leasehold property and any rights under any licence or other agreement or document which gives the Company a right to occupy or use property, (except any Security Assets specified in paragraph (1.1) above) wheresoever situate now belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants subject, in the case of any leasehold properties, to any necessary third party's consent to such mortgage being obtained;
- 1.3 By way of first fixed charge:

- 1.3.1 (to the extent that the same are not the subject of a mortgage under paragraphs (1.1) and/or (1.2) above) all present and future estates or interests in any freehold or leasehold property and any rights under any licence or other agreement or document which gives the Company a right to occupy or use property, wheresoever situate now or hereafter belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants, subject, in the case of any leasehold properties, to any necessary third party's consent to such charge being obtained;
- 1.3.2 all plant, machinery, computers and vehicles now or in the future owned by it and, subject to any necessary third party's consent to such charge being obtained, its interest in any plant, machinery, computers or vehicles in its possession other than any for the time being part of the Company's stock in trade or work in progress;
- 1.3.3 all moneys (including interest) from time to time standing to the credit of each of its present and future accounts (including, without limitation, the Security Accounts with any bank, financial institution or other person and the debts represented thereby, provided that without prejudice to any other provision of Clause 4 of the Debenture, any such monies paid out of such accounts without breaching the terms of the Senior Finance Documents or the Mezzanine Finance Documents and not paid into another such account in the name of the Company shall be released from the fixed charge effected by this sub-paragraph 1.3.3 upon the proceeds being so paid out;
- 1.3.4 (to the extent not effectively assigned under Clause 4.3 of the Debenture) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
- 1.3.5 all of its present and future book and other debts, all other moneys due and owing to it or which may become due and owing to it at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the foregoing including in each case the proceeds of the same, provided that without prejudice to any other provision of Clause 4 of the Debenture (and in particular but without limitation to sub-paragraph (1.3.3) above) such proceeds shall be released automatically from the fixed charge effected by this sub-paragraph upon those proceeds being credited to any Security Account;
- 1.3.6 (to the extent that the same do not fall within any other sub-paragraph of this paragraph (1.3) and are not effectively assigned under Clause 4.3 of the Debenture) all of its rights and benefits under each of the Relevant Agreements, all bills of exchange and other negotiable instruments held by it, and (subject to any necessary third party's consent to such charge being obtained) any distributorship or agreement for the licensing of Intellectual

Property Rights or similar agreements entered into by it and any letters of credit issued in its favour;

- 1.3.7 any beneficial interest, claim or entitlement of it to any assets of any pension fund;
- 1.3.8 its present and future goodwill;
- 1.3.9 the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the Security Assets specified in paragraphs (1.1), (1.2) and (1.3.1) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof;
- 1.3.10 its present and future uncalled capital;
- 1.3.11 all its present and future Intellectual Property Rights (including, without limitation, any rights and interest of the Company in those patents and trade marks and designs, if any, specified in Schedule 5 of the Debenture and/or the Schedule to the Deed of Accession by which it became party thereto (where relevant)) owned by it, subject to any necessary third party's consent to such charge being obtained. To the extent that any such Intellectual Property Rights are not capable of being charged (whether by reason of lack of any such consent as aforesaid or otherwise) the charge thereof purported to be effected by Clause 4.1(c)(xi) of the Debenture shall operate as an assignment of any and all damages, compensation, remuneration, profit, rent or income which the Company may derive therefrom or be awarded or entitled to in respect thereof, as continuing security for the payment, discharge and performance of the Secured Liabilities; and
- 1.3.12 all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments (including without limitation, all Cash Equivalent Investments) now or in the future owned by any or (when used in relation to the Company) that the Company from time to time not charged pursuant to Clause 4.2 of the Debenture.

Provided that any property or assets in Scotland and any property or assets the rights in and to which are governed by the laws of Scotland shall be excluded from the mortgages and charges created or effected by paragraphs (1.1) to (1.3) above.

- 2. The Company and with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, as continuing security for the payment, discharge and performance of all the Secured Liabilities at any time owed or due to the Lenders (or any of them):
 - 2.1 mortgages and charges and agrees to mortgage and charge to the Security Agent (as agent and trustee for the Lenders) all Group Shares held now or in the future by it

and/or any nominee on its behalf, the same to be a security by way of a first mortgage;
and

- 2.2 mortgages and charges and agrees to mortgage and charge to the Security Agent (as agent and trustee for the Lenders) all the Related Rights accruing to all or any of the Group Shares held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a first mortgage or charge.

3. The Company as beneficial owner and with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Lenders (or any of them), assigns and agrees to assign to the Security Agent (as agent and trustee for the Lenders) all its right, title and interest (if any) in and to:

3.1 the Insurances;

3.2 the Inter-Company Credit Agreement;

3.3 the Hedging Agreements; and

3.4 the Sale and Purchase Agreement.

4. To the extent that any such right, title and interest described in paragraphs 3(a)-(d) above is not assignable or capable of assignment, the assignment thereof purported to be effected by paragraph 4.3(a) of the Debenture shall operate as:

4.1.1 in the case of the Insurances, an assignment of any and all proceeds of the Insurances received by each Chargor; and

4.1.2 in the case of the other Relevant Agreements, an assignment of any and all damages, compensation, remuneration, profit, rent or income which any Chargor may derive therefrom or be awarded or entitled to in respect thereof,

in each case as continuing security for the payment, discharge and performance of the Secured Liabilities at any time owed or due to the Lenders (or any of them).

- 4.2 The Company as beneficial owner and with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, as security for the payment, discharge and performance of the Secured Liabilities, charges in favour of the Security Agent (as agent and trustee for the Lenders) by way of a first floating charge all its undertaking and assets whatsoever and wheresoever both present and future (including, without limitation, any undertaking and assets situated in Scotland (whether or not the same may be mortgaged or charged by way of standard security)), subject always to all mortgages, fixed charges and assignments created by or pursuant to Clause 4 or any other provision of the Debenture.

5. The Company undertakes to each Lender that, save as expressly permitted under the terms of the Debenture, the Senior Facility Agreement and the Mezzanine Facility Agreement it will not:

- 5.1 create or permit to subsist any Encumbrance over all or any of its assets, rights or property other than pursuant to the Debenture or any other Security Document; or
- 5.2 (part with, lease, sell, transfer, assign or otherwise dispose of or agree to part with, lease, sell, transfer, assign or otherwise dispose of all or any part of its assets, rights or property or any interest therein.
6. The floating charge created in the Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge over the assets, rights and property of the Company on the convening of any meeting of the members of the Company to consider a resolution to wind the Company up (or not to wind the Company up) PROVIDED THAT this clause 6 shall not apply to any of the Chargor's undertaking and assets situate in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act 1986 by reason of such automatic conversion.
- B. Under the terms of the Senior Guarantor Accession Agreement the Company irrevocably and unconditionally and jointly and severally:
1. guarantees to each Finance Party, as principal obligor and not merely as surety, the prompt performance by each other Obligor of all its obligations under and in accordance with the terms of the Senior Finance Documents and the payment of all sums payable now or in the future to such Finance Party by each other Obligor under or in connection with the Senior Finance Documents when and as the same shall become due;
 2. undertakes with each Finance Party that, if and whenever any other Obligor does not pay any amount when due under or in connection with any Senior Finance Document, the Company will on demand by the Facility Agent pay such amount as if the Company instead of the other obligor were expressed to be the primary obligor; and
 3. indemnifies each Finance Party on demand against any loss or liability suffered by it under any Senior Finance Document as a result of any obligation guaranteed by the Company being or becoming unenforceable, invalid or illegal.
- C. Under the terms of the Mezzanine Guarantor Accession Agreement the Company irrevocably and unconditionally and jointly and severally:
1. guarantees to each Finance Party, as principal obligor and not merely as surety, the prompt performance by each other Obligor of all its obligations under and in accordance with the terms of the Mezzanine Finance Documents and the payment of all sums payable now or in the future to such Finance Party by each other Obligor under or in connection with the Senior Finance Documents when and as the same shall become due;
 2. undertakes with each Finance Party that, if and whenever any other Obligor does not pay any amount when due under or in connection with any Mezzanine Finance Document, the Company will on demand by the Facility Agent pay such amount as if

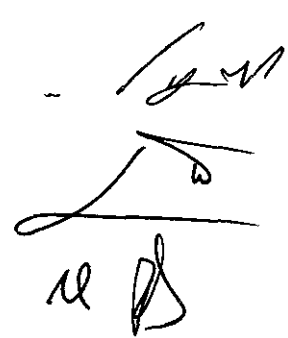
the Company instead of the other Obligor were expressed to be the primary obligor;
and

3. indemnifies each Finance Party on demand against any loss or liability suffered by it under any Mezzanine Finance Document as a result of any obligation guaranteed by the Company being or becoming enforceable, invalid or illegal.
- D. Under the terms of the Senior Facility Agreement and Mezzanine Facility Agreement the Company also agrees to accede to the Priority Agreement and to subordinate its rights to repayment of monies due from, *inter alia*, the Borrower pursuant to and as defined in the Inter-Company Credit Agreement and from certain other creditors of the Company in certain circumstances and to the ranking of priority between certain creditors of, *inter alia*, the Obligors and their subsidiaries.
- E. By executing the Inter-Company Credit Agreement the Company and each of its Subsidiaries agrees to make loan facilities available to Bourne Leisure Limited upon the terms and conditions set out in the Agreement, in order to assist Bourne Leisure Limited to comply with any of its payment obligations under, *inter alia*, the Senior Facility Agreement, the Mezzanine Facility Agreement and/or the Loan Notes (as amended, supplemented, novated or otherwise changed) or any arrangements entered into in substitution or in addition to any such agreements.
- F. The share transfers and funds flows and any other Structure Steps contemplated to be undertaken by the Company under or pursuant to the reorganisation documents to be executed in order to complete the reorganisation documents to be executed in order to complete the reorganisation contemplated by the Structure Paper.
- G. Pursuant to the Letter of Support the Parent has agreed to provide, *inter alia*, the Company financial support for a period of twelve (12) months commencing from the date hereof. The repayment of any money received under the Letter of Support would constitute the giving of financial assistance for the purposes of this acquisition.
- H. Pursuant to the Hedging Agreements Bourne Leisure Limited, and any other Borrowers who accede to the Senior Facilities Agreement and/or to the Mezzanine Facilities Agreement together the "Facilities", will hedge interest rates and currency exposures in relations to the facilities provided to such companies, which facilities are utilised to fund the acquisition.

Unless the contrary intention appears, a term defined in this document has the same meaning as in the Senior Facility Agreement, Mezzanine Facility Agreement, Priority Agreement or Debenture, as the case may be.

Schedule 3

The purpose of the assistance is to re-finance existing financial arrangements pursuant to the acquisition of the share capital of Colaingrove Limited and its subsidiaries by Foray 989 Limited on 27 August 1997.

Handwritten signature and initials in the bottom right corner. The signature appears to be 'L. M.' and the initials below it are 'R. B.'.

Auditors' report to the directors of Palmhall Group Limited pursuant to section 156(4) of the Companies Act 1985

E+Y

We have examined the attached statutory declaration of the directors of Palmhall Group Limited ("the Company") dated 23 October 2000 in connection with the proposal that the Company's subsidiary B.L. (British Holidays) Limited should give financial assistance for:

- (i) the past purchase on 27 August 1997 of the whole of the issued share capital of Colaingrove Limited by Foray 989 Limited;
- (ii) the purchase of the whole of the issued share capital of Colaingrove Limited by Bourne Leisure Limited;
- (iii) the purchase of the whole of the issued share capital of Bourne Leisure Holdings Limited and
- (iv) the purchase of the whole of the issued share capital of Foray 989 Limited by Bourne Leisure Holdings Limited.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Ernst & Young

Ernst & Young
Registered Auditor
London

23 October 2000

E+Y