

Company Number: 02486634

THE COMPANIES ACT 1985 (AS AMENDED)

SPECIAL RESOLUTIONS

-of-

JARVIS HOTELS LIMITED

(passed on 26 February 2004)



At an Extraordinary General Meeting of Jarvis Hotels Limited (the "**Company**") duly convened and held at The Ramada Jarvis Hotel, Hyde Park, Bayswater Road, London, W2 4RT on 26 February 2004 at 11:15 a.m. ~~by~~ the following Resolutions were duly passed as Special Resolutions:

1. **THAT**, subject to compliance with Sections 155 to 158 of the Companies Act 1985 (the "**Act**"), the giving by the Company of financial assistance for the purpose of the acquisition by Kayterm plc ("**Kayterm**") of the entire share capital of the Company effected by means of a scheme of arrangement pursuant to Section 425 the Act and in the form described in the statutory declaration sworn by the directors of the Company pursuant to Section 155(6) of the Act on the date hereof be approved;
2. **THAT** the execution, delivery and performance by the Company of:
  - 2.1 a letter of accession (the "**Facility Letter of Accession**") pursuant to which the Company will:
    - (a) accede (as an Additional Guarantor (as defined in the Facility Agreement)) to and be bound by a facility agreement (the "**Facility Agreement**") dated 11 December 2003 between, amongst others, Kayterm plc ("**Kayterm**"), The Royal Bank of Scotland plc as arranger, the Agent, the Security Trustee and the Original Lenders (as defined therein);
    - (b) accede (as an Additional Borrower (as defined in the Facility Agreement)) to and be bound by an ancillary overdraft facility (the "**Ancillary Facility**") dated 10 December 2003 and made available to Kayterm by The Royal Bank of Scotland plc (acting as agent for National Westminster Bank plc) pursuant to which an overdraft facility was made available to Kayterm and the Company (under its former name of Jarvis Hotels plc) up to a limit of £5,000,000;
    - (c) guarantee to each Finance Party (as defined in the Facility Agreement) punctual performance by each other Obligor (as defined in the Facility Agreement) of all that Obligor's obligations under the Finance Documents (as defined in the Facility Agreement);

- (d) undertake with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and
- (e) indemnify each Finance Party in respect of certain costs, losses or liabilities suffered by that Finance Party;

2.2 a deed of accession ("**Security Document Deed of Accession**") pursuant to which the Company will:

- (a) accede to and be bound by a guarantee and fixed and floating security document (the "**Security Document**") dated 11 December 2003 and entered into by Kayterm and The Royal Bank of Scotland plc (in its capacity as security trustee) (the "**Security Trustee**");
- (b) discharge each of the Liabilities (as defined in the Security Document) when due in accordance with its terms;
- (c) guarantee to the Security Trustee (as trustee for the Guaranteed Secured Parties (as defined in the Security Document)) punctual payment by any Chargor (as defined in the Security Document) of any Guaranteed Liability (as defined in the Security Document);
- (d) undertake with the Security Trustee (as trustee for the Guaranteed Secured Parties) that whenever a Chargor does not pay any amount when due under or in connection with any Guaranteed Liability, such Chargor shall immediately on demand pay that amount as if it was the principal obligor;
- (e) indemnify the Security Trustee (as trustee for the Guaranteed Secured Parties) in respect of certain costs, losses or liabilities suffered by a Guaranteed Secured Party;
- (f) charge, with full title guarantee and as security for the payment of all Liabilities (whether of the Company itself or any other Chargor), in favour of the Security Trustee (as trustee for the Secured Parties) all its assets and as more particularly described in the Security Document Deed of Accession;
- (g) assign, by way of security to the Security Trustee (as trustee for the Secured Parties), all its present and future right, title and interest to such of its assets as more particularly described in clause 5 of the Security Document Deed of Accession;
- (h) charge, with full title guarantee and as security for the payment of all Liabilities (whether of the Company itself or any other Chargor), in favour of the Security Trustee (as trustee for the Secured Parties) by way of a first floating charge, its undertaking and all its assets, both present and future;

2.3 a deed of accession (the "**Intercreditor Agreement Deed of Accession**") pursuant to which the Company will accede, as an Additional Guarantor and as an Additional Borrower pursuant to the Ancillary Facility, to and agree to be bound by an intercreditor agreement (the "**Intercreditor Agreement**") dated 11 December 2003 between the Agent, the Security Trustee and the Original Obligors (each term as defined in the Facility Agreement) and pursuant to which the Company will agree to the repayment of certain monies made available to Kayterm in the order set out in the Intercreditor Agreement and to the ranking of priority between certain creditors of Kayterm;

2.4 a security interest agreement (the "**Security Interest Agreement**") to be entered into by The Royal Bank of Scotland plc as Security Trustee and the Company pursuant to which the Company will grant The Royal Bank of Scotland plc a security interest in the entire issued share capital of Jarvis Red Tin Shed Corporation Limited;

2.5 four standard securities (to be consented to by the Company) by Aberdeen Hotel Company Limited in favour of the Security Trustee over the properties at:

- (a) Church Street, Inverness IV1 1DX;
- (b) Dalblair Road, Ayr KA7 1UG;
- (c) Ellersly Road, Murrayfield, Edinburgh EH12 6HZ; and
- (d) Princes Street, Edinburgh EH2 2DG

(together the "**Consent Standard Securities**"),

as security for the payment and discharge of (1) all present and future obligations and liabilities due by Kayterm and/or any Obligor or Obligors to any Finance Party or Finance Parties (the terms "**Obligor**" and "**Finance Party**" as defined in the Facility Agreement) under the Facility Agreement, and (2) the Liabilities (as defined in the Security Document) and all present and future obligations and liabilities incurred by the Company or any other party under the Security Document;

2.6 eight standard securities in favour of the Security Trustee over:

- (a) the property at Learmonth Terrace, Edinburgh EH4 1PW (the "**Edinburgh Standard Security**");
- (b) the property at Market Street, Aberdeen AB11 5EL (the "**Aberdeen Standard Security**");
- (c) the property at 201 Ingram Street, Glasgow G1 1DQ (the "**Glasgow Standard Security**");
- (d) the property at Cloch Road, Gourock PA19 1AR (the "**Gourock Standard Security**");

- (e) the property at Almondview, Livingston, West Lothian (the "**Livingston Standard Security**");
- (f) the property at West Mills Street, Perth PH1 5QP (the "**Perth Standard Security**");
- (g) the Travelodge Glasgow Airport at Sanderling Road, Renfrew (the "**Travelodge Glasgow Airport Standard Security**"); and
- (h) the Ramada Glasgow Airport Hotel at Sanderling Road, Renfrew (the "**Ramada Glasgow Airport Standard Security**" and together with the Edinburgh Standard Security, the Aberdeen Standard Security, the Glasgow Standard Security, the Gourock Standard Security, the Livingston Standard Security, the Perth Standard Security and the Travelodge Glasgow Airport Standard Security and the Consent Standard Securities, the "**Standard Securities**"),

as security for the payment and discharge of (1) all present and future obligations and liabilities due by Kayterm and/or any Obligor or Obligors to any Finance Party or Finance Parties under the Facility Agreement, and (2) the Liabilities and all present and future obligations and liabilities incurred by the Company or any other party under the Security Document;

2.7 an assignation of rents (the "**Assignation of Rents**") (to be consented to by the Company) by Aberdeen Hotel Company Limited in favour of the Security Trustee in respect of the following leases:

- (a) sub-lease between Aberdeen Hotel Company Limited and HFC Trust Limited dated 17 October, 5 December and 19 December Nineteen Hundred and Eighty-three and registered in the Books of Council and Session on 23 March Nineteen Hundred and Eighty-four;
- (b) sub-lease between Aberdeen Hotel Company Limited and The Pancake Place Limited dated 28 April, 14 May and 25 May and registered in the Books of Council and Session on 14 June all in the year Nineteen Hundred and Eighty-two;
- (c) sub-lease between the Aberdeen Hotel Company Limited and Scotia Frozen Foods Limited dated 2 and 21 February and 22 March and registered in the Books of Council and Session on 7 April all in the year Nineteen Hundred and Eighty-three;
- (d) lease between Aberdeen Hotel Company Limited and Messrs Peter Green Shops dated 5 and 19 May and registered in the Books of Council and Session on 1 June all in the year Nineteen Hundred and Ninety-two;
- (e) lease between Aberdeen Hotel Company Limited and Turnbull Sports Limited dated 23 August and 24 October and registered in the Books of Council and Session on 12 November all in the year Nineteen Hundred and Ninety-one; and

- (f) lease between Aberdeen Hotel Company Limited and Hector Russell (Highland Industries) Limited dated 21 August and 12 October and registered in the Books of Council and Session on 12 November all in the year Nineteen Hundred and Ninety-two,

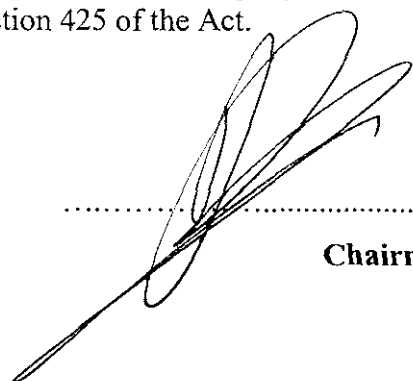
as security for the payment and discharge of (1) all present and future obligations and liabilities due by Kayterm and/or any Obligor or Obligors to any Finance Party or Finance Parties under the Facility Agreement, and (2) the Liabilities and all present and future obligations and liabilities incurred by the Company or any other party under the Security Document,

be approved, even though the execution, delivery and performance of each of the Facility Letter of Accession, the Security Document Deed of Accession, the Intercreditor Agreement Deed of Accession, the Security Interest Agreement, the Standard Securities and the Assignment of Rents constitutes financial assistance for the purpose of the acquisition by Kayterm of the entire share capital of the Company effected by means of a scheme of arrangement pursuant to Section 425 of the Act;

3. **THAT** it is in the best commercial interests of the Company and to its direct benefit, it being noted that the Company forms part of a larger group of companies which would benefit from enhanced trading prospects owing to credit facilities being made available to the group of companies to which the Company belongs pursuant to the Facility Agreement, to enter into the Facility Letter of Accession, the Security Document Deed of Accession, the Intercreditor Agreement Deed of Accession, the Security Interest Agreement, the Standard Securities and the Assignment of Rents;
4. **THAT**, subject to compliance with Sections 155 to 158 of the Act, the giving of financial assistance by Jarvis Hotels - First Time Every Time Limited, Jarvis Hotels Hospitality Services Limited, Aberdeen Hotel Company Limited, Jarvis Hotels - Creating the Difference Limited, Jarvis Hotels (Trustee) Limited, Jarvis Hotels Bolton Limited, Jarvis Hotels Bolton Nominee 1 Limited, Jarvis Hotels Bolton Nominee 2 Limited, Jarvis Hotels East Grinstead Limited, Jarvis Hotels East Grinstead Nominee 1 Limited, Jarvis Hotels East Grinstead Nominee 2 Limited, Jarvis Hotels Gloucester Limited, Jarvis Hotels Gloucester Nominee 1 Limited, Jarvis Hotels Gloucester Nominee 2 Limited, Jarvis Hotels Kensington Limited, Jarvis Hotels Kensington Nominee 1 Limited, Jarvis Hotels Kensington Nominee 2 Limited, Jarvis Hotels Watford Limited, Jarvis Hotels Watford Nominee 1 Limited, Jarvis Hotels Watford Nominee 2 Limited (together, the "**Subsidiaries**") for the purpose of the acquisition by Kayterm of the entire share capital of the Company effected by means of a scheme of arrangement pursuant to Section 425 of the Act and in the form described in the statutory declaration sworn by the directors of the Company pursuant to Section 155(6) of the Act on the date hereof be approved;
5. **THAT** the execution, delivery and performance by the Subsidiaries of:
  - 5.1 letters of accession in relation to the Facility Agreement in substantially the same form and content, *mutatis mutandis*, to the Facility Letter of Accession;
  - 5.2 deeds of accession in relation to the Security Document in substantially the same form and content, *mutatis mutandis*, to the Security Document Deed of Accession;

- 5.3 deeds of accession in relation to the Intercreditor Agreement in substantially the same form and content, *mutatis mutandis*, to the Intercreditor Agreement Deed of Accession; and
- 5.4 (in the case of Aberdeen Hotel Company Limited) the Consent Standard Securities and the Assignment of Rents,

be approved, even though the execution, delivery and performance of each of these letters of accession, security document deeds of accession, intercreditor agreement deeds of accession, the Consent Standard Securities and the Assignment of Rents to be entered into by the Subsidiaries constitutes financial assistance for the purpose of the acquisition by Kayterm of the entire share capital of the Company effected by means of a scheme of arrangement pursuant to Section 425 of the Act.



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**Chairman**