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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

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

To the Registrar of Companies
(Address overleaf- Note 5)

For official use

Company number
2971215

Name of company

* Paragon Hotels Limited (the "Company")

I̶/We Ø

TREVOR JAMES HEMMINGS of The Penthouse, Retraite de la Mielle, La Route de la Haute,

St Brelade, Jersey JE 8BA; JOHN CLEMENT KAY of 7 Beechfield Road, Mayfield, Leyland,

Lancashire PR5 2BE; and JOHN BARKLEY, c/o The Governor and Company of the Bank of Scotland,

Uberior House, 61 Grassmarket, Edinburgh EH1 2JF

[̶t̶h̶e̶ ̶s̶o̶l̶e̶ ̶d̶i̶r̶e̶c̶t̶o̶r̶]̶[all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

(a) t̶h̶a̶t̶ ̶o̶f̶ ̶a̶ ̶[̶r̶e̶c̶o̶g̶n̶i̶s̶e̶d̶ ̶b̶a̶n̶k̶]̶[̶l̶i̶c̶e̶n̶s̶e̶d̶ ̶i̶n̶s̶t̶i̶t̶u̶t̶i̶o̶n̶]̶ ̶w̶i̶t̶h̶i̶n̶ ̶t̶h̶e̶ ̶m̶e̶a̶n̶i̶n̶g̶ ̶o̶f̶ ̶t̶h̶e̶ ̶B̶a̶n̶k̶i̶n̶g̶ ̶A̶c̶t̶ ̶1̶9̶7̶9̶#̶ ̶x̶x̶

(b) t̶h̶a̶t̶ ̶o̶f̶ ̶a̶ ̶p̶e̶r̶s̶o̶n̶ ̶a̶u̶t̶h̶o̶r̶i̶s̶e̶d̶ ̶u̶n̶d̶e̶r̶ ̶s̶e̶c̶t̶i̶o̶n̶ ̶3̶ ̶o̶r̶ ̶4̶ ̶o̶f̶ ̶t̶h̶e̶ ̶I̶n̶s̶u̶r̶a̶n̶c̶e̶ ̶C̶o̶m̶p̶a̶n̶i̶e̶s̶ ̶A̶c̶t̶ ̶1̶9̶8̶2̶ ̶t̶o̶ ̶c̶a̶r̶r̶y̶ ̶o̶n̶ ̶x̶x̶

   i̶n̶s̶u̶r̶a̶n̶c̶e̶ ̶b̶u̶s̶i̶n̶e̶s̶s̶ ̶i̶n̶ ̶t̶h̶e̶ ̶U̶n̶i̶t̶e̶d̶ ̶K̶i̶n̶g̶d̶o̶m̶#

(c) something other than the above #

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

the [̶company]̶-[̶ c̶o̶m̶p̶a̶n̶y̶'̶s̶ ̶h̶o̶l̶d̶i̶n̶g̶ ̶c̶o̶m̶p̶a̶n̶y̶

_____ L̶i̶m̶i̶t̶e̶d̶] †

The assistance is for the purpose of [̶t̶h̶a̶t̶ ̶a̶c̶q̶u̶i̶s̶i̶t̶i̶o̶n̶]̶[reducing or discharging a liability incurred for the purpose of that acquisition]. †

The number and class of the shares acquired or to be acquired is: 2,500,000 A Ordinary Shares of £1 each, 1,666,667 B Ordinary Shares of £1 each, 833,333 C Ordinary Shares of £1 each and 7,500,000 Redeemable Preference Shares of £1 each

Presentor's name address and reference (if any):
Dundas & Wilson CS
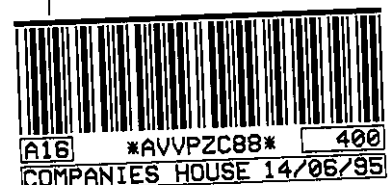Saltire Court
20 Castle Terrace
Edinburgh EH1 2EN
Ref: SMS/MPS/B0056.186

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General Section | Post room

A16   *AVVPZC88*   400
COMPANIES HOUSE 14/06/95

The assistance is to be given to: (note 2) Uberior Investments plc, a company incorporated in Scotland, Company Number SC73998 ("Uberior") and Calgarth Limited, a company incorporated in The Isle of Man, Company Number 72019C ("Calgarth")

The assistance will take the form of:

See Paper Apart 1

The person who [has acquired] [will acquire] † the shares is:
Uberior and Calgarth

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

See Paper Apart

The amount of cash to be transferred to the person assisted is £ not more than 460,852.86

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

The date on which the assistance is to be given is 8th June 19 95

Please do not
write in
this margin

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

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

I/We have formed the opinion, as regards the 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)

(a) [I/We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]*(note 3)

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

And I/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 _____Edinburgh._____

Declarants to sign below

the __8th__ day of __June__

one thousand nine hundred and __ninety-five__

before me _____Clare S Macpherson._____
A Comissioner for Oaths or Notary Public or Justice of
the Peace or a Solicitor having the powers conferred on
a Comissioner for Oaths.

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
   CF4 3UZ

   or, for companies registered in Scotland: -

   The Registrar of Companies
   Companies House
   100-102 George Street
   Edinburgh
   EH2 3DJ

Paper Apart

Calgarth and Uberior agree pursuant to Clause 15 of a Shareholder's Agreement dated 8th June among Uberior, Calgarth and the Company inter alia that the initial costs and expenses incurred in establishing the Company, and drafting and negotiating that Agreement shall be borne by the Company.

≡⅃ ERNST & YOUNG

REPORT OF THE AUDITORS TO THE DIRECTORS OF PARAGON HOTELS LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985
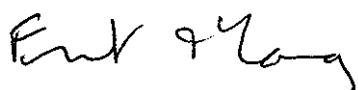
We have examined the attached statutory declaration of the directors dated 8 June 1995 in connection with the financial assistance proposed to be given by Paragon Hotels Limited ("the company") for the purchase of 2,500,000 'A' ordinary shares of £1 each, 1,666,667 'B' ordinary shares of £1 each, 833,333 'C' ordinary shares of £1 each and 7,500,000 redeemable preference shares of £1 each in the company.

Basis of opinion

We have enquired into the state of affairs of the company so far as necessary for us 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 the attached 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 Auditors

8 June 1995