



155(6)b

SC55493

* Scottish Highland Hotels Limited

*We see Appendix 1.

[illegible]

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

The business of this company is:

(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;

This company is [the] ☒ holding company of* Carlton Hotel (Edinburgh) Limited
(the "Subsidiary") _____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____]

~~the holding company of this company.] t~~

Post room



**SCT
COMPANIES HOUSE**

SOZXBMPA 0748
30/12/99

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: the entire issued share
capital of this Company

The assistance is to be given to: (note 2) Paramount Hotels Investments Limited
whose registered office is at 12 Bruntcliffe Way, Morley, Leeds, West Yorks,
LS27 0JG ("PHIL")

The assistance will take the form of:

See Appendix 2.

The person who [has acquired] ~~will acquire~~† the shares is:
PHIL

† delete as
appropriate

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

See Appendix 3.

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 within 8 weeks of date hereof 19 _____

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)

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

(a) ~~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)

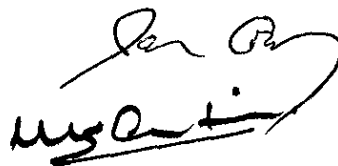
(b) ~~It is intended to commence the winding up of this company within 12 months of that date, and 1/we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up]* (note 3)~~

And ~~1/~~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 117 THE HEADROW
NEEDS

Declarants to sign below

the 23rd day of 1st DECEMBER
one thousand nine hundred and ninety nine



before me [Signature]

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner 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
37 Castle Terrace
Edinburgh
EH1 2EB

SCOTTISH HIGHLAND HOTELS LIMITED
COMPANY NUMBER: SC55493

APPENDIX 1 FOR FORM 155(6)b

Ian Don Goulding
The Coach House
148 Spen Lane
Cleckheaton
West Yorkshire
BD19 4AD

Michael Edward Purtill
Froghall
Barmby Moor
Pocklington
Yorkshire
YO42 4DA

SCOTTISH HIGHLAND HOTELS LIMITED
COMPANY NUMBER: SC55493

APPENDIX 2 FOR FORM 155(6)b

1. The execution delivery and performance of a guarantee and floating charge ("Guarantee") by the Subsidiary in favour of De Nationale Investeringsbank N.V., London Branch as agent and security trustee for the Secured Parties.
2. The execution delivery and performance of a standard security ("Standard Security") by the Subsidiary in favour of De Nationale Investeringsbank N.V., London Branch as agent and security trustee for the Secured Parties.

SCOTTISH HIGHLAND HOTELS LIMITED
COMPANY NUMBER: SC55493

APPENDIX 3 FOR FORM 155(6)b

Under the terms of the Guarantee:

1. the Subsidiary guarantees to the De Nationale Investeringsbank N.V., London Branch as agent and trustee for the Secured Parties that it will on demand pay to the Security Trustee, in the currency in which the same falls due for payment under the terms of the Secured Documents, all moneys which are now or at any time thereafter shall have become due or owing by any Group Company to all or any of the Secured Parties pursuant to the terms of any of the Secured Documents.
 - 1.1 The guarantee described in paragraph 1 above is given subject to, and with the benefit of the provisions set forth in Schedule 1 of the Guarantee.
 - 1.2 The Subsidiary covenants with the Security Trustee as agent and trustee for the Secured Parties that it shall, to the extent that the same have fallen due and have not been paid pursuant to the terms of the relevant Secured Document, pay to the Security Trustee on demand all costs and expenses incurred by the Security Trustee in relation to the Guarantee and the protection or enforcement of the Security Trustee's rights thereunder.
2. The Subsidiary, as a continuing security for the payment of the Secured Obligations charges in favour of the Security Trustee (as agent and trustee for the Secured Parties) a floating charge of the whole of the Subsidiary's undertaking (including uncalled capital) and all its property, assets and rights, whatsoever and wheresoever, present and future ("Charged Property").
3. The security constituted by the Guarantee is in addition to and is independent of every bill, note guarantee, standard security, pledge or other security which the Security Trustee or any other Secured Party may at any time hold in respect of any of the other Secured Obligations and no prior security held by the Security Trustee or any other Secured Party over the Charged Property or any part thereof shall merge in the security created by or under the Guarantee.

4. The Subsidiary covenants that, without the prior consent of the Security Trustee, it shall not nor shall it agree or purport to create or permit to subsist any Encumbrance whether in any such case ranking in priority to or pari passu with or after the security created by the Guarantee and Floating Charge or sell, discount, factor, transfer, lease, lend or otherwise dispose of the whole or any part of its undertaking or assets.
5. The Guarantee contains a covenant for further assurances and shall remain in full force and effect, notwithstanding any amendments or variations from time to time to the Senior Credit Agreement.
6. Under the terms of the Standard Security:
 - 6.1 as security for the payment of the Subsidiary's actual, contingent, present and/or future obligations and liabilities of any of the Secured Parties under or pursuant to any of the Secured Documents (including the Standard Security), the Subsidiary grants a Standard Security in favour of De Nationale Investeringsbank N.V., London Branch as agent and trustee for the Secured Parties over all and whole of the Subsidiary's leasehold interest in the Stirling Highland Hotel, Stirling.

SCOTTISH HIGHLAND HOTELS LIMITED
COMPANY NUMBER: SC55493

SCHEDULE OF DEFINITIONS

In this Statutory Declaration, unless otherwise defined, words and expressions shall have the same meanings as is given to them under the Senior Credit Agreement. In addition, the following words and expressions shall have the respective meanings given to them:

"Intercreditor and Subordination Agreement") means the intercreditor and subordination agreement dated on or around the same date as this Statutory Declaration made between the Borrowers, the Senior Banks, the Junior Banks, the Overdraft bank, the Issuing Banks and the Security Trustee, each of the Senior Creditors and the Junior Creditors;

"Junior Banks" has the meaning given to the term **"Banks"** in the Junior Credit Agreement;

"Junior Credit Agreement") means a credit agreement dated on or about the same date as this Statutory Declaration and made between (1) Paramount Hotels Holdings Limited as Borrower (2) Junior Banks, (3) De Nationale Investeringsbank N.V., London Branch as a Co-Arranger, (4) National Westminster Bank Plc as a Co-Arranger, (5) National Westminster Bank Plc as the Facility Agent, (6) De Nationale Investeringsbank N.V., London Branch as an Underwriter, (7) National Westminster Bank Plc as an Underwriter and (8) De Nationale Investeringsbank N.V., London Branch as Security Trustee;

"Junior Creditors" means each of the Junior Banks, the Facility Agent (as such term is defined in the Junior Credit Agreement) and the Security Trustee;

"Secured Documents" means all and each of the Senior Credit Agreement, the Junior Credit Agreement, the Interest Rate Protection Agreement, the Fees Letter, the Intercreditor and Subordination Agreement and the Security Documents.

"Secured Obligations" means the actual, contingent, present and/or future obligations and liabilities of the Subsidiary to any of the Secured Parties under or pursuant to any of the Secured Documents.

"Secured Parties" means the Junior Creditors and the Senior Creditors.

"Security Trustee" means De Nationale Investeringsbank Bank N.V., London Branch in its capacity as security trustee pursuant to the Intercreditor and Subordination Agreement, which expression shall include all successor security trustees appointed from time to time).

"Senior Banks" has the meaning given to the term **"Banks"** in the Senior Credit Agreement.

"Senior Credit Agreement") means a credit agreement dated on or about the same date as this Statutory Declaration and made between (1) the Paramount Hotels Group Limited, [Paramount Hotels Holdings Limited, Old Ship Hotel (Brighton) Limited and Paramount Hotels Investments Limited] as Borrower[s], (2) Senior Banks, (3) National Westminster Bank Plc as a Co-Arranger, (4) De Nationale Investeringsbank N.V., London Branch as a Co-Arranger, (5) De Nationale Investeringsbank N.V., London Branch as Facility Agent, (6) De Nationale Investeringsbank N.V., London Branch as Underwriter (7) De Nationale Investeringsbank N.V., London Branch as Security Trustee, (8) National Westminster Plc as Issuing Bank and (9) National Westminster Bank Plc as Overdraft Bank;

"Senior Creditors" means the Senior Banks, the Facility Agent (as such term is defined in the Senior Credit Agreement), the Security Trustee, the Issuing Bank and the Overdraft Bank.

PricewaterhouseCoopers
101 Barbirolli Square
Lower Mosley Street
Manchester M2 3PW
Telephone +44 (0) 161 245 2000
Facsimile +44 (0) 161 245 2911

The Directors
Scottish Highland Hotels Limited
Fountain Court
12 Bruntcliffe Way
Morley
Leeds
LS27 0JG

23 December 1999

Dear Sirs

Auditors' report to the directors Scottish Highland Hotels Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors Scottish Highland Hotels Limited ('the Company') dated 23 December 1999 in connection with the proposal that the Company's subsidiary undertaking, Carlton Hotel (Edinburgh) Limited, should give financial assistance for the purchase of the shares of the Company.

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.

Yours faithfully



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6NN. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

01/12/99

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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**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

--	--	--	--

SC55493

Note
Please read the notes
on page 3 before
completing this form.

Name of company

* Scottish Highland Hotels Limited

* insert full name
of company*/We ☐ See Appendix 1.☐ insert name(s) and
address(es) of all
the directorsINITIALLED FOR THE
PURPOSES OF IDENTIFICATION
23/12/99
Pridegate House Coopers† delete as
appropriate[~~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:

- (a) ~~that of a recognised bank (licensed institution) within the meaning of the Banking Act 1979~~
(b) ~~that of a person authorised under section 8 or 4 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom~~
(c) something other than the above§

This company is [the] ☒ holding company of* Carlton Hotel (Edinburgh) Limited
(the "Subsidiary") _____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____]

_____ ~~the holding company of this company.~~†Presentor's name address and
reference (if any):Dibb Lupton Alsop
117 The Headrow
Leeds
LS1 5JXFor official Use
General Section

Post room

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
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bold block
lettering

The number and class of the shares acquired or to be acquired is: the entire issued share capital of this Company

The assistance is to be given to: (note 2) Paramount Hotels Investments Limited
whose registered office is at 12 Bruntcliffe Way, Morley, Leeds, West Yorks,
LS27 0JG ("PHIL")

The assistance will take the form of:

See Appendix 2.

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† delete as
appropriate

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

~~*/~~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)

(a) ~~*/~~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

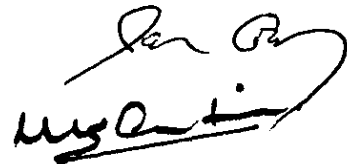
(b) ~~It is intended to commence the winding up of this company within 12 months of that date, and */we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up)* (note 3)~~

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 117 THE HEADROW
LEEDS

Declarants to sign below

the 23rd day of DECEMBER
one thousand nine hundred and NINETY NINE



before me [Signature]

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

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Cardiff
CF4 3UZ

or, for companies registered in Scotland:-

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Edinburgh
EH1 2EB

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Ian Don Goulding
The Coach House
148 Spen Lane
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West Yorkshire
BD19 4AD

Michael Edward Purtil
Froghall
Barmby Moor
Pocklington
Yorkshire
YO42 4DA

SCOTTISH HIGHLAND HOTELS LIMITED
COMPANY NUMBER: SC55493

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2. The execution delivery and performance of a standard security ("Standard Security") by the Subsidiary in favour of De Nationale Investeringsbank N.V., London Branch as agent and security trustee for the Secured Parties.

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6. Under the terms of the Standard Security:
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SCOTTISH HIGHLAND HOTELS LIMITED
COMPANY NUMBER: SC55493

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