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CHA 116

## 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

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SC55493

Name of company

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

\* Scottish Highland Hotels Limited

\* insert full name  
of companyI/We See Appendix 1.§ insert name(s) and  
address(es) of all  
the directors† 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 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] a holding company of\* Stirling Highland Hotel 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. ]†

Presenter's name address and  
reference (if any):Dibb Lupton Alsop  
117 The Headrow  
Leeds  
LS1 5JX

DX: 12017 LEEDS

For official Use  
General Section

Post room

SCT  
COMPANIES HOUSE  
SOZX8MP7 0751  
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 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

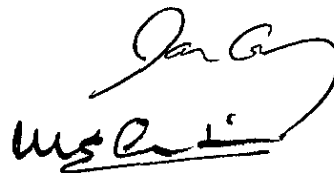
(b) ~~It is intended to commence the winding up of this company within 12 months of that date, and I/we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.]\* (note 3)~~

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.

## 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  
Barnby 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, Stirling Highland Hotels 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.

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