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SC 125204.

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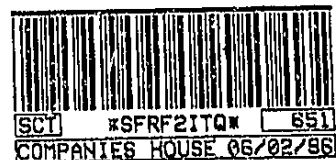
WRITTEN RESOLUTIONS
MACDONALD HOTELS LIMITED

We hereby intimate the passing of the undernoted Written Resolutions as Special Resolutions of the above Company as at 14th January 1996:-

- (i) "That the Company enters into Share Option Agreements with James George William Busby and Martin Wright in terms of the draft Option Agreements marked "A" and "B" for identification purposes and annexed and signed as relative hereto and the said Share Option Agreements are hereby authorised and approved.
- (ii) "that the Authorised Share Capital of the Company be increased to £1,339,276 by the creation of 12,589 Ordinary Shares of £1.
- (iii) "That with effect from the time of the passing of Resolution (ii) above the Directors be unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to allot relevant securities (as defined in that Act) up to a maximum amount of £12,589 at any time or times during the period of five years from the date hereof and at any time thereafter pursuant to the offer or agreement made by the Company before the expiry of this authority conform to the Share Option Agreements detailed in (i) above.
- (iv) "That sub-section (1) of Section 89 of the Companies Act 1985 shall not apply in respect of Shares issued pursuant to the exercise of the options detailed in the Share Option Agreements detailed in (i) above".
- (v) "That the current Share Option Agreements in favour of D J Macdonald and G Smith be amended so as to permit their respective personal representatives to exercise the option in the event of their death whilst still a director and/or an employee of the Company prior to the expiry of the Option Period as defined in the said Share Option Agreements".

John George Macdonald
.....
Director

[Signature]



OPTION AGREEMENT

between

JAMES GEORGE WILLIAM
BUSBY, residing at 4 Murchison
Road, Houston, Renfrewshire
(hereinafter called "the Grantee") OF
THE FIRST PART

and

MACDONALD HOTELS
LIMITED, incorporated under the
Companies Acts (Company Number
125204) and having its Registered
Office at Thirty Six Heriot Row,
Edinburgh (hereinafter called "the
Company") OF THE SECOND
PART

WHEREAS

- (a) The Company is incorporated with limited liability in Scotland under the Companies Acts and has an authorised share capital of £1,339,276 divided into 839,276 Ordinary Shares of £1 each ("the Ordinary Shares") of which 500,000 are issued and fully paid up, and 500,000 Preference Shares of £1 each of which 500,000 are issued and fully paid.
- (b) The Company has agreed to grant to the Grantee an option to subscribe for 8,393 Ordinary Shares ("the Option Shares") on the terms and conditions hereinafter set out.

NOW THEREFORE THE COMPANY AND THE GRANTEE HAVE AGREED AND DO HEREBY AGREE AS FOLLOWS:-

1. (a) The Grantee may by notice in writing (hereinafter called "the relevant notice") given to the Company in the circumstances set out in Clause (2) hereof direct the Company to issue to the Grantee the Option Shares at a price of £12.85 per share or such other price as may be adjusted in terms hereof ("the Option Price").

- (b) The Company shall within fourteen days of receipt of the relevant notice take all necessary steps to comply therewith and upon receipt of the Option Price issue the Option Shares to the Grantee
- (c) The Option Shares to be issued by the Company pursuant to the direction under the relevant notice shall rank pari passu in all respect with the then existing issued Ordinary Shares in the capital of the Company but declaring that the Option Shares shall only rank for dividend from the date of issue and any dividends payable shall be apportioned on a per diem basis from the date of issue to the end of the relevant financial period.
- (d) The Company hereby undertakes to the Grantee that during the period between the date of execution hereof and the date of exercise of the Option herein contained there shall be at all times a sufficient number of unissued Ordinary Shares in the capital of the Company to enable the Company to discharge its obligations under this Agreement.
- (e) In the event of the Company issuing further Ordinary Shares after the date of execution hereof or granting further options over Ordinary Shares in favour of third parties, then the terms of the Option herein contained shall be adjusted at the discretion of the Company to prevent dilution subject to an appropriate adjustment in the Option Price.
- (2) (a) The Option shall be exercisable by the Grantee at any time during the period commencing on the date of execution hereof and ending on the fourth anniversary of the date of execution hereof ("the Option Period").

(b) In the event of the Grantee dying whilst a Director and/or an employee of the Company prior to the expiry of the Option Period then notwithstanding the terms of Clause (3) hereof the personal representatives of the Grantee shall be entitled to exercise the Option on the terms and conditions set out in this Agreement.

(3) The Option herein contained shall automatically terminate without any compensation being payable to the Grantee in the event of:-

- (a) expiry of the Option Period without the exercise of the Option; or
- (b) the Grantee ceasing to be a Director and/or employee of the Company or;
- (c) in the event of the Grantee ceasing to be associated with the management and direction of the Company in any capacity

(4) This Option is personal to the Grantee and not assignable.

(5) Notices required to be given pursuant to this Agreement shall be validly served if sent (in the case of the Company) to its Registered Office for the time being and (in the case of the Grantee) to the address hereinbefore given or to such other address as shall be previously intimated to the Company and shall be deemed to be served at the expiration of forty eight hours after it has been posted and in proving such service of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, stamped and posted.

(6) Each party shall be responsible for bearing their own costs and expenses in connection with this Agreement and the exercise of the Option.

(7) This Agreement and the matters following hereon shall be construed and receive effect according to the Law of Scotland. IN WITNESS WHEREOF

OPTION AGREEMENT

between

JAMES GEORGE WILLIAM BUSBY

and

MACDONALD HOTELS LIMITED

Re. 8393 Ordinary Shares of £1
each in Macdonald Hotels Limited

1996

Messrs Orr MacQueen WS
36 Heriot Row
EDINBURGH
EH3 6ES

FAS 5605

PE/JMF/MACD113
OPT'AGR'BUSBY

OPTION AGREEMENT

between

MARTIN WRIGHT, residing at 17 Fore Street, Kippen, Stirling (hereinafter called "the Grantee") OF THE FIRST PART

and

MACDONALD HOTELS LIMITED, incorporated under the Companies Act (Company Number 125204) and having its Registered Office at Thirty Six Heriot Row, Edinburgh (hereinafter called "the Company") OF THE SECOND PART

WHEREAS

- (a) The Company is incorporated with limited liability in Scotland under the Companies Acts and has an authorised share capital of £1,339,276 divided into 839,276 Ordinary Shares of £1 each ("the Ordinary Shares") of which 500,000 are issued and fully paid up, and 500,000 Preference Shares of £1 each of which 500,000 are issued and fully paid.
- (b) The Company has agreed to grant to the Grantee an option to subscribe for 4,196 Ordinary Shares ("the Option Shares") on the terms and conditions hereinafter set out.

NOW THEREFORE THE COMPANY AND THE GRANTEE HAVE AGREED AND DO HEREBY AGREE AS FOLLOWS:-

1. (a) The Grantee may by notice in writing (hereinafter called "the relevant notice") given to the Company in the circumstances set out in Clause (2) hereof direct the Company to issue to the Grantee the Option Shares at a price of £12.85 per share or such other price as may be adjusted in terms hereof ("the Option Price").

- (b) The Company shall within fourteen days of receipt of the relevant notice take all necessary steps to comply therewith and upon receipt of the Option Price issue the Option Shares to the Grantee.
 - (c) The Option Shares to be issued by the Company pursuant to the direction under the relevant notice shall rank pari passu in all respect with the then existing issued Ordinary Shares in the capital of the Company but declaring that the Option Shares shall only rank for dividend from the date of issue and any dividends payable shall be apportioned on a per diem basis from the date of issue to the end of the relevant financial period.
 - (d) The Company hereby undertakes to the Grantee that during the period between the date of execution hereof and the date of exercise of the Option herein contained there shall be at all times a sufficient number of unissued Ordinary Shares in the capital of the Company to enable the Company to discharge its obligations under this Agreement.
 - (e) In the event of the Company issuing further Ordinary Shares after the date of execution hereof or granting further options over Ordinary Shares in favour of third parties, then the terms of the Option herein contained shall be adjusted at the discretion of the Company to prevent dilution subject to an appropriate adjustment in the Option Price.
- (2) (a) The Option shall be exercisable by the Grantee at any time during the period commencing on the third anniversary of the date of execution hereof and ending on the date occurring four years thereafter ("the Option Period").
- (b) In the event of the Grantee dying whilst a Director and/or an employee of the Company prior to the expiry of the Option Period then notwithstanding the terms of Clause (3) hereof the personal representatives of the Grantee shall be entitled to exercise the Option on the terms and conditions set out in this Agreement

(3) The Option herein contained shall automatically terminate without any compensation being payable to the Grantee in the event of:-

- (a) expiry of the Option Period without the exercise of the Option; or
- (b) the Grantee ceasing to be a Director and/or employee of the Company; or
- (c) in the event of the Grantee ceasing to be associated with the management and direction of the Company in any capacity

(4) This Option is personal to the Grantee and not assignable.

(5) Notices required to be given pursuant to this Agreement shall be validly served if sent (in the case of the Company) to its Registered Office for the time being and (in the case of the Grantee) to the address hereinbefore given or to such other address as shall be previously intimated to the Company and shall be deemed to be served at the expiration of forty eight hours after it has been posted and in proving such service of notice it shall be sufficient to prove that the envelope containing the same was properly addressed, stamped and posted.

(6) Each party shall be responsible for bearing their own costs and expenses in connection with this Agreement and the exercise of the Option.

(7) This Agreement and the matters following hereon shall be construed and receive effect according to the Law of Scotland: IN WITNESS WHEREOF

OPTION AGREEMENT

between

MARTIN WRIGHT

and

MACDONALD HOTELS LIMITED

Re. 4,196 Ordinary Shares of £1
each in Macdonald Hotels Limited

1996

Messrs Orr MacQueen WS
36 Heriot Row
EDINBURGH
EH3 6ES

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PE/JMJ/MACD113
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