

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

The number and class of the shares acquired or to be acquired is: 27,962,739 "A" ordinary
10 pence shares and 1,306,267 "B" ordinary 5 pence shares

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

The assistance is to be given to: (note 2) Blackstone Hotel Acquisitions Company
(company no. 3543429)

The assistance will take the form of:

PLEASE SEE ATTACHED CONTINUATION SHEET

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

Blackstone Hotel Acquisitions Company (company no. 3543429)

† delete as
appropriate

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

PLEASE SEE ATTACHED CONTINUATION SHEET

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

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

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

The date on which the assistance is to be given is 17th Aug 19 98

~~†~~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)

~~(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 Vaison-la-Romaine

Declarants to sign below

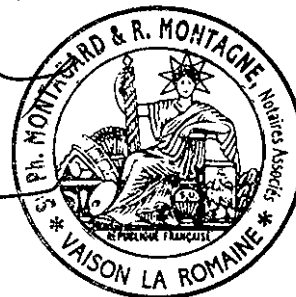
the 17th day of Aug
one thousand nine hundred and nineteen

before me Me MONTAGARD, Notaire

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.



THE SAVOY HOTEL LIMITED

Form 155(6)b

Continuation Sheet

The form which the financial assistance will take and the principal terms on which the financial assistance is given are described below:-

1. An unlimited guarantee of the obligations of Blackstone Hotel Acquisitions Company ("BHAC") under a £275 million senior mortgage loan facility agreement (the "**Senior Facility Agreement**") dated 7th April 1998 (as amended) made between BHAC as borrower, Merrill Lynch International as arranger and underwriter, the financial institutions listed therein as joint arrangers and/or banks and Bankers Trust Company as agent and security trustee, by way of an accession agreement to be entered into by Headfort Hotel (Belgravia) Limited ("**Headfort**") under which Headfort will accede to the Senior Facility Agreement as a subsidiary guarantor.
2. An unlimited guarantee of the obligations of BHAC under a £100.6 million junior mortgage loan facility agreement (the "**Junior Facility Agreement**") dated 30th April 1998 (as amended) made between BHAC as borrower, Merrill Lynch International as arranger and underwriter, the financial institutions listed therein as joint arrangers and/or junior lenders and Bankers Trust Company as agent and security trustee, by way of an accession agreement to be entered into by Headfort under which Headfort will accede to the Junior Facility Agreement as a subsidiary guarantor.
3. A composite debenture and guarantee (the "**Debenture**") under which Headfort will guarantee the obligations of BHAC under the terms of an ISDA Master Agreement (the "**Hedging Agreement**") dated 7th April 1998 made between BHAC and Merrill Lynch Capital Services, Inc. and grant fixed and floating charges over all its undertaking and assets (including, without limitation, any stocks, shares, debentures, bonds or other securities and investments now or in the future owned by Headfort) in favour of Bankers Trust Company (in its capacity as security trustee) as security for its obligations under that debenture and guarantee and under the Finance Documents (as defined therein) including, among others, the Senior Facility Agreement and the Junior Facility Agreement.

The respective rights and obligations of the creditors of Headfort under the Senior Facility Agreement, the Junior Facility Agreement and the Debenture will be regulated by an intercreditor agreement dated 30th April 1998 (as amended) between BHAC as borrower, certain companies as guarantors, BRE Satellite L.P. as subordinated investor, certain banks and financial institutions as junior creditors, certain banks and financial institutions as senior creditors, certain banks and financial institutions as hedging banks, BRE/ Satellite L.P. as subordinated investors' agent and Bankers Trust Company as junior agent, senior agent and security trustee, to which Headfort will accede under the terms of an accession agreement.

**AUDITORS' REPORT TO THE DIRECTORS OF THE SAVOY HOTEL LIMITED
PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of The Savoy Hotel Limited dated 17 August 1998 in connection with the proposal that Headfort Hotel (Belgravia) Limited should give financial assistance for the purchase of the entire issued share capital of The Savoy Hotel Limited.

Basis of opinion

We have enquired into the state of affairs of The Savoy Hotel Limited 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 is unreasonable in all the circumstances.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
17 August 1998

Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

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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

cont sheet

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 lettering

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

* insert full name
of company

§ insert name(s) and
address(es) of all
the directors

† delete as
appropriate

§ delete whichever
is inappropriate

To the Registrar of Companies

For official use

Company number

--	--	--	--

29022

Name of company

* THE SAVOY HOTEL LIMITED

+We § Sir Ewen Alastair John Fergusson of 111 Iverna Court, London W8 6TX
Alan James Fort of Woodside, Barnet Wood Road, Bromley, Kent BR2 8HJ

Ramon Pajares of 38 Pont Street Mews, London SW1X 0AF

~~[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~~ [a] holding company of* Headfort Hotel (Belgravia) Limited
(company no. 655082) 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):

Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

Ref: 321/C375/30744607

For 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

The number and class of the shares acquired or to be acquired is: 27,962,739 "A" ordinary
10 pence shares and 1,306,267 "B" ordinary 5 pence shares

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

The assistance is to be given to: (note 2) Blackstone Hotel Acquisitions Company
(company no. 3543429)

The assistance will take the form of:

PLEASE SEE ATTACHED CONTINUATION SHEET

The person who [has acquired]~~[will acquire]~~† the shares is:
Blackstone Hotel Acquisitions Company (company no. 3543429)

† delete as
appropriate

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

PLEASE SEE ATTACHED CONTINUATION SHEET

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

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this margin

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

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

The date on which the assistance is to be given is 17th AUGUST 19 98

~~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)

(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 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 ~~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 Exchange House, Primrose Street,
London EC2A 2HS

Declarants to sign below

the 17th day of August
one thousand nine hundred and ninety eight

before me Simon Freshfield

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

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Deloitte & Touche

Deloitte & Touche
Registered Auditors
17 August 1998

Stonecutter Court
1 Stonecutter Street
London EC4A 4TR