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CHFP004

COMPANIES FORM No. 155(6)a
Declaration in relation to
assistance for the acquisition
of shares.

155(6)a

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 lettering*

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

For official use

Company number

5600743

Name of company

* MARSTON CREWE HALL LIMITED

Note

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

* insert full name of
company

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

We Ø

CHRISTOPHER DAVID SCRAGG of Blackhurst Hall Blackhurst Park Halls Hole Road
Tunbridge Wells Kent TN2 4RG, and
MARK ANDREW KINGSTON of Whitehall Farm Brissenden Green Bethersden Kent TN26
3BJ

† delete as
appropriate

all the directors of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

~~(a) that a recognised bank or licensed institution within the meaning of the Banking Act 1979~~
~~(b) that of a person authorised under section 304 of the Insurance Companies Act 1982 to carry on~~

(c) something other than the above

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

Marston Hotels Holdings Limited

The assistance is for the purpose of that acquisition.

The number and class of the shares acquired or to be acquired is:
133,849 ordinary £1 shares

Presentor's name address and
reference (if any):

For official Use
General Section

Post room



A12
COMPANIES HOUSE

176
23/12/2005

The assistance is to be given to: (Note 2) See rider 1

Please do not
write in this
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*Please complete
legibly, preferably
in black type, or
bold block
lettering*

The assistance will take the form of:

See Attachment 1

The person who has acquired the shares is: †
MARSTON HOTELS HOLDINGS LIMITED

† delete as
appropriate

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

See Attachment 2

The amount of cash to be transferred to the person assisted is £ 18,108,290.00

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

The date on which the assistance is to be given is on or around the 15.12.2005

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

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)

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 8 Douglas Avenue Hythe
Kent.

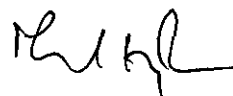
on

Day	Month	Year
15	12	2005

before me W. R. Writer

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

Declarants to sign below



WILLIAM ROBERT WRITER
SOLICITOR
8 DOUGLAS AVENUE
HYTHE, KENT

CT21 5JT

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
CF14 3UZ
DX: 33050
Cardiff

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB
DX: 235
Edinburgh

Rider 1

The assistance is to be given to:

Marston Hotels Holdings Limited (Co. number 03948742) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Marston Hotels Limited (Co. number 02480483) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

M H Freeholds Limited (Co. number 5600597) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Nottingham Belfry Limited (Co. number 03508816) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Marston Aldwark Manor Limited (Co. number 5600709) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Marston Bridgewood Manor Limited (Co. number 5600749) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Marston Centrecourt Limited (Co. number 5600708) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Marston Hellidon Lakes Limited (Co. number 5601310) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Marston Imperial Limited (Co. number 5600748) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Marston Oxford Belfry Limited (Co. number 5600755) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ;

Marston Stratford Manor Limited (Co. number 5600747) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ; and

Marston Tankersley Manor Limited (Co. number 5600706) whose registered office is at The Mews, Prince's Parade, Hythe, Kent, CT21 6AQ

Marston Crewe Hall Limited

Attachment 1 – Form of Financial Assistance

The assistance will take the form of:

- (a) an accession letter to the Facility Agreement (as defined below) ("the **Accession Letter**") to be issued as a deed by Marston Hotels Holdings Limited (the "**Parent**") and the Company in favour of Barclays Bank PLC as Agent (the "**Agent**").
- (b) a deed of accession to the Debenture (as defined below) ("the **Accession Deed**") to be entered into between the Company and Barclays Bank PLC as security agent (the "**Security Agent**").
- (c) a guarantee in respect of the Overdraft Facilities (as defined below) (the "**Overdraft Guarantee**") to be entered into by the Company (among others)
- (d) any other document as the directors of the Company consider necessary in connection with the above.

For the purpose of this declaration:

"Facility Agreement" means the £120 million facility agreement dated 16th November 2005 entered into by the Parent as borrower, and Marston Hotels Limited and Nottingham Belfry Limited as guarantors, AIB Group (UK) PLC and Barclays Capital (the "**Mandated Lead Arrangers**"), certain lenders including AIB Group (UK) plc and Barclays Bank PLC (the "**Original Lenders**"), and Barclays Bank PLC (the Agent and Security Agent);

"Debenture" means the debenture dated 16th November 2005 entered into by the Parent, Marston Hotels Limited and Nottingham Belfry Limited as chargors (the "**Original Chargors**") and the Security Agent in connection with (i) the Facility Agreement and the Finance Documents (as defined below) related thereto, (ii) the Overdraft Facilities (as defined below) and (iii) the Interest Rate Protection Agreement (as defined below);

"Overdraft Facilities" means one or more overdraft facility documents prepared by AIG Group (UK) PLC or Barclays Bank PLC as lender (the "**Overdraft Bank**") dated 16th November 2005 made between Marston Hotels Limited as borrower, the Parent and Nottingham Belfry Limited as guarantors and the Overdraft Bank;

"Interest Rate Protection Agreement" means one or more interest rate protection documents entered or to be entered into by (1) the Parent and/or a Guarantor and (2) AIB Group (UK) plc and/or Barclays Bank PLC.

Marston Crewe Hall Limited

Attachment 2 - Principal terms on which the assistance will be given

- (a) Pursuant to the Accession Letter the Company will agree to become an Additional Guarantor and to be bound by the terms of the Facility Agreement as an Additional Guarantor (as more particularly described in paragraph (f) below).

For the purpose of this paragraph (a) of attachment 2 "**Additional Guarantor**" shall have the meaning set out in paragraph (e) below.

- (b) Pursuant to the Accession Deed the Company agrees to become a party to, and be bound by the terms of, and to create security and assume obligations and duties as an Additional Guarantor under the Debenture (as more particularly described in paragraph (g) below).

For the purpose of this paragraph (b) of attachment 2 "**Additional Chargor**" means an Additional Guarantor, which becomes an additional chargor by executing and delivering a deed of accession to the Debenture.

- (c) Pursuant to the Overdraft Guarantee the Company will agree to guarantee the obligations and liabilities of Marston Hotels Limited pursuant to the Overdraft Facilities

- (d) Pursuant to the Arrangement Fee Letter dated 16th November 2005 the Parent paid an arrangement fee in connection with the Facility Agreement of not more than 0.50 per cent flat on the amount of the Facility Agreement and the Overdraft Facilities.

For the purpose of this paragraph (d) of attachment 2;

"**Arrangement Fee Letter**" means the fee letter dated 16th November 2005 entered into between the Parent and AIB Group (UK) PLC and Barclays Capital under which the Parent paid an arrangement fee in connection with the Facility Agreement

- (e) Pursuant to the Agency Fee Letter, the Parent will pay an agency fee in connection with the Facility Agreement of £25,000 per annum in advance plus a security agency fee based on an hourly rate of £300.

For the purpose of this paragraph (e) of attachment 2;

"**Agency Fee Letter**" means one or more agency fee letters dated 16th November 2005 entered into between the Parent and Barclays Bank PLC under which the Parent paid an agency and security agency fee in connection with the Facility Agreement

- (f) Pursuant to the Facility Agreement, the Parent borrowed, for the purpose of funding an intercompany loan between the Parent as lender and Marston Hotels Limited as borrower *and for the purpose of funding a permitted capital payment of £ in connection with the purchase by the Parent from some of its shareholders of 133,849 of its own ordinary £1 shares on the 18th November 2005, and each Obligor:*

- (i) jointly and severally guaranteed punctual performance by each other Obligor of its obligations under the Finance Documents;
- (ii) undertook to pay on demand an amount equal to any amount not paid when due by any Obligor under or in connection with any Finance Document as if it were the principal obligor;
- (iii) indemnified in respect of any cost, loss or liability suffered by any Finance Party if any obligation guaranteed is or becomes unenforceable, invalid or illegal;

- (iv) made and will make certain representations to the Finance Parties; and
- (v) *undertook to comply with certain general undertakings, including an undertaking not to create or permit to subsist any security over any of its assets and not to dispose of any of its assets (in each case, subject to certain exceptions).*

For the purpose of this paragraph (c) of attachment 2:

"Additional Guarantor" means a company which becomes an additional Guarantor in accordance with the requirements of the Facility Agreement relating to the provision of security and guarantees by non-dormant members of the Group.

"Finance Document" means the Facility Agreement, the Agency Fee Letter, the Arrangement Fee Letter, any accession letter pursuant to which an Obligor accedes to the Facility Agreement or any other Finance Document, any resignation letter pursuant to which a dormant member of the Group retires as a Guarantor, any Security Document and any other document designated as such by the Agent and the Company.

"Finance Party" means the Agent, the Security Agent, the Mandated Lead Arranger or a lender from time to time.

"Group" means any of the Parent or its subsidiaries.

"Guarantor" means each of the Parent, Marston Hotels Limited and Nottingham Belfry Limited or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with the resignation mechanics of the Facility Agreement relating to dormant companies.

"Obligor" means a Borrower (being the Parent) or a Guarantor.

"Security Document" means the Debenture and any other security document that may at any time be given as security for any of the Liabilities (each as defined in paragraph (g) below) pursuant to or in connection with any Finance Document.

- (g) Pursuant to the Debenture, the Parent did and pursuant to the Accession Deed the Company may, among other things:
 - (i) covenant to the Security Agent to pay all Liabilities when due in accordance with its terms, or if they do not specify a time for payment, immediately on demand by the Security Agent;
 - (ii) as security for the payment or discharge of all Liabilities, charge in favour of the Security Agent:
 - A. by way of first legal mortgage, all real property in England and Wales belonging to it at the date of the Debenture;
 - B. by way of first fixed equitable charge, all other real property belonging to it at the date of the Debenture and all real property acquired by it in the future; and
 - C. by way of first fixed charge, all its present and future:
 - (a) book debts;
 - (b) bank accounts;
 - (c) rents generated from properties;
 - (d) investments;

- (e) uncalled capital and goodwill;
- (f) intellectual property;
- (g) beneficial interest in any pension fund;
- (h) plant and machinery (except that mortgaged or charged as described in paragraph A. or B.);
- (i) insurances and all related proceeds, claims of any kind, returns of premium and other benefits;

D. by way of first floating charge its undertaking and all its property and assets, both present and future.

(iii) Agree to procure that any subsidiary that is not a dormant company will accede to the Debenture and give security over all its assets and undertaking as described above.

(iv) undertake to do all such acts or execute all such documents as the Security Agent requires to:

A. perfect or protect the charges or the priority of the charges; or

B. facilitate the realisation of the charged assets or the exercise of any rights vested in the Security Agent or any receiver,

including executing any transfer, conveyance, charge, assignment or assurance of the charged assets (whether to the Security Agent or its nominees or otherwise) making any registration and giving any notice, order or direction;

(v) undertake not to create or permit to subsist any security on any part of the charged assets or enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any or part of the charged assets except as permitted by negative pledge and disposals undertakings of the Facility Agreement.

The term "**Liabilities**" in this paragraph (g) means the liabilities of the Obligors (as defined in paragraph (c) above) under and in respect of the Facility Agreement and all related Finance Documents, the Overdraft Facilities and the Interest Rate Protection Agreement under which the Parent and/or Marston Hotels Limited will hedge the interest exposure of the Parent under the term loan to the extent the term loan is used to fund the refinancing of the existing bank debt of Marston Hotels Limited.

(h) Pursuant to the Overdraft Facilities dated 16th November 2005 and entered into between the Overdraft Bank, Marston Hotels Limited as borrower and the Parent and Nottingham Belfry Limited as guarantors,

(i) the Overdraft Bank provided a sterling overdraft facility to Marston Hotels Limited of up to £5,000,000 with an interest rate per annum of LIBOR and mandatory costs plus a margin of 1.5 per cent.;

(ii) Marston Hotels Limited will pay an annual fee of 0.25 per cent. per annum on the commitments and utilisations under the Overdraft Facilities; and

(iii) Marston Hotels Limited, the Parent and Nottingham Belfry Limited provided cross guarantees and indemnities in respect of each others' obligations under the Overdraft Facilities.

(i) Pursuant to the Interest Rate Protection Agreement all or any part of the interest rate liabilities of the Parent under the Facility Agreement have been hedged and the Guarantors may provide cross guarantees and indemnities in respect of each other's obligations under the Interest Rate Protection Agreement.

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF MARSTON
CREWE HALL LIMITED (THE "COMPANY") PURSUANT TO SECTION 156(4) OF
THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 15 December 2005, prepared in accordance with applicable United Kingdom law, in connection with the proposal that the Company should give financial assistance in respect of the purchase of ordinary shares in Marston Hotels Holdings Limited.

This report is made solely to the directors in accordance with Section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report under section 156(4) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors, for our audit work, for this report, or for the opinions we have formed.

Basis of opinion

We have enquired into the state of affairs of the Company so far as necessary 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.



Ernst & Young LLP
Registered Auditor
London
15 December 2005