





Please do not write in this margin

The date on which the assistance is to be given is on or about 13th May, 2004

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

**X**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) ~~X~~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) ~~X~~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 **X**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

Declarants to sign below

DLA LLP, 3 NOBLE ST, LONDON

Day Month Year  
 on 

1	3	0	5	2	0	0	4
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before me   
**D. A. MARTIN** & Co, 13 HOLLYWELL ROW, LONDON EC2A 4DF  
 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  
 CF14 3UZ

or, for companies registered in Scotland:-

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

## Annex A

The execution, delivery and performance of:

- (1) a debenture (the **Debenture**) by, inter alia, Westark Properties Limited, Blackstone Hotel Acquisitions Company (**BHAC**), Savoy Theatre Holdings Limited, Claridge's Hotel Holdings Limited, The Savoy Hotel Limited, the Berkeley Hotel Limited, The Connaught Hotel Limited, Savoy Management Services Limited, Savoy Theatre Limited and Claridge's Hotel Limited (together the **Obligors**) and Anglo Irish Bank Corporation plc, as security trustee, pursuant to which the Obligors grant fixed and floating charges over substantially all of their assets to secure the Secured Obligations (as defined in the Debenture);
- (2) a loan agreement (the **Senior Loan Agreement**) between Westark Properties Limited, BHAC, Allied Irish Banks, p.l.c., Anglo Irish Bank Corporation plc, the Obligors, The Governor and Company of the Bank of Ireland and IIB Bank Limited under which the Lenders (as defined therein) will make available to Westark Properties Limited and BHAC term loan facilities of up to £425,000,000 which loans are guaranteed by the Obligors;
- (3) a subordinated loan agreement (the **Subordinated Loan Agreement**) by, inter alia, the Obligors and Anglo Irish Bank Corporation plc under which the Junior Lender (as defined below) will make available to Westark Properties Limited term loan facilities which loans are guaranteed by each of the Obligors;
- (4) an intercreditor agreement (the **Intercreditor Agreement**) to be entered into between, inter alia, Allied Irish Banks p.l.c., Anglo Irish Bank Corporation plc, The Governor and Company of the Bank of Ireland, IIB Bank Limited (together the **Senior Lenders**), Anglo Irish Bank Corporation plc (the **Junior Lender**) and the Obligors under which the claims of the Senior Lenders and the Junior Lender against the Obligors are regulated and subordinated;
- (5) an intra-group loan agreement (the **Intra-Group Loan Agreement**) to be entered into between, inter alia, the Obligors, BRE/Savoy Acquisition Company and Coroin Limited under which certain of the Obligors may make advances to Coroin Limited, Westark Properties Limited and/or Blackstone Hotel Acquisitions Company (each a **Borrower** and together the **Borrowers**) which are required by that Borrower to pay any fees arising and to repay and/or prepay all of its indebtedness (whether of interest, principal or otherwise) to the lenders or any other party under the Facilities Agreement and/or the Investor Loan Stock (each as defined therein);
- (6) a PIK note assignment agreement (the **PIK Note Assignment Agreement**) to be entered into between BRE Satellite L.P. and Westark Properties Limited in respect of the assignment of a series of notes (the **Notes**) issued pursuant to a credit agreement dated 30 April, 1998 made between BRE Satellite L.P. and Blackstone Hotel Acquisitions Company (the **PIK Note Credit Agreement**) and the subsequent repayment of the Notes by Blackstone Hotel Acquisition Company.

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## Annex B

- (1) under the Debenture, the Obligors grant to Anglo Irish Bank Corporation plc, as security trustee, fixed and floating charges over substantially all of their assets to secure the Secured Obligations (as defined in the Debenture) and agree to execute in favour of the Security Trustee such further assignments, transfers, mortgages, charges or other encumbrances as in each such case the Security Trustee shall stipulate for the purpose of more effectively providing security for the payment, performance and discharge of the Secured Obligations or of enabling the Security Trustee to vest any of its Charged Assets (as defined in the Debenture) in the Security Trustee or its nominee(s);
- (2) under the Subordinated Loan Agreement the Junior Lender agrees to make available to Westark Properties Limited term loan facilities in the aggregate amount of approximately £270,000,000 and each Obligor agrees to guarantee repayment of all sums due from Westark Properties Limited to the Subordinated Lender and to indemnify the Subordinated Lender against any loss that it may suffer in each case under the Subordinated Loan Agreement;
- (3) under the Senior Loan Agreement the Lenders will make available to Westark Properties Limited and BHAC term loan facilities in the aggregate amount of £425,000,000 and each Obligor agrees to guarantee repayment of all sums due from Westark Properties Limited to the Finance Parties (as defined therein) and to indemnify the Finance Parties against any loss that they may suffer in each case under the Senior Loan Agreement;
- (4) under the Intercreditor Agreement, the claims of the Senior Lenders and the Junior Lender against the Obligors are regulated and the Obligors agree to subordinate certain of their rights to those of the Senior Lenders and the Junior Lender in connection with the acquisition;
- (5) under the Intra-Group Loan Agreement certain of the Obligors make advances which are required by a Borrower to pay any fees arising and to repay and/or prepay its indebtedness (whether of interest, principal or otherwise) to the lenders or any other party under the Facilities Agreement and/or the Investor Loan Stock in each case in connection with the acquisition;
- (6) under the PIK Note Assignment Agreement BRE Satellite L.P. assigns its interest in a series of notes issued pursuant to the PIK Note Credit Agreement to Westark Properties Limited, which notes will subsequently be repaid by BHAC.

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Chartered Accountants

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The Directors  
BRE/Savoy Acquisition Company  
1 Savoy Hill  
London WC2R 0BP  
United Kingdom

13 May 2004

Dear Sirs

**Auditors' report to the directors of BRE/Savoy Acquisition Company pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated 13 May 2004 in connection with the proposal that the company's subsidiary undertaking The Savoy Hotel Limited should give financial assistance for the purchase of 159,999,999 ordinary shares in the company's holding company, BRE/Savoy Acquisition Company.

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

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

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

KPMG  
*Registered Auditor*

Denis O'Connor • Darina Barrett • Gary Britton • Keith Browne • Sharon Burke • Niall Campbell  
Brian Clavin • Jim Clery • Colm Clifford • Adrian Crawford • Christopher Cullen • William Cunningham  
Brian Daly • Jon D'Arcy • Robert Dix • Paul Dobey • Eamon Donaghy • Michael Farrell • Paul Finnerty  
Michael Flaherty • Gerard Flood • Michael Gaffney • Laura Gallagher • Donal Gannon • Ruaidhri Gibbons  
Roger Gillespie • Seamus Hand • Michael Hayes • Paul Hollway • Ray Jackson • Declan Keane  
Olivia Lynch • David Kennedy • Maurice McCloy • Pat McDaid • Paul McGowan • Niamh Marshall  
David Meagher • James Menton • Cliona Mullen • Shaun Murphy • Arthur O'Brien • Conor O'Brien  
Pat O'Brien • Kevin O'Donovan • Conall O'Halloran • Sean O'Keefe • Garrett O'Neill • Terence O'Neill  
Terence O'Rourke • Conor O'Sullivan • Vincent Reilly • Colm Rogers • Eamonn Russell • Seamus Taaffe  
Eric Wallace • Richard Whelan • David Wilkinson • Consultants (qualifications other than Chartered  
Accountant): John Bradley • Robert Dowley • Ken Hardy • Sean Mooney



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