

# M

COMPANIES FORM No. 395

# 395

CHFP014

## Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

4

48125

Name of company

\* THE RITZ HOTEL, LIMITED (the "Borrower")

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

\* insert full name of company

Date of creation of the charge

18 MAY 2001

Description of the instrument (if any) creating or evidencing the charge (note 2)

LOAN AGREEMENT between the Borrower and the Lender (as defined below) dated 18 May 2001 (the "Agreement")

Amount secured by the mortgage or charge

All obligations for the payment of all principal sums due, up to a maximum of €141,000,000, plus all interest, interest for delay, commissions, penalties, costs and incidental payments due to the Lender (as defined below) from the Borrower pursuant to the Agreement (the "Guaranteed Obligations")

Names and addresses of the mortgagees or persons entitled to the charge

Royal Bank of Scotland plc

36 St Andrew Square, Edinburgh (the "Lender")

Postcode EH2 2YB

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

Jones, Day, Reavis & Pogue  
Bucklersbury House, 3 Queen  
Victoria Street, London, EC4N 8NA

F.T.A.O: Alper Deniz

Time critical reference

For official Use  
Mortgage Section

M

Post room



A20  
COMPANIES HOUSE

\*A2D651BB\*

0610  
07/06/01

counts  
130959  
410-000

**1. As security for the Guaranteed Obligations, the Borrower has mortgaged to the Lender:**

(a) to the value of €118,000,000, the Ritz Hotel consisting of a building situated at 15, place Vendome, 75001 Paris, a building for use as a hotel and commercial premises situated at 38, rue Cambon and 17, Place Vendome, 75001 Paris and plot no. 2 ("Volume 2") in the building situated at 19, Place Vendome, 75001 Paris (the "Ritz Hotel"); and

(b) to the value of €23,000,000, the property situated at the meeting point of rue Arsene Houssaye, Avenue des Champs Elysees and rue de Tilsitt, 75008 Paris, which is 1 rue Arsene Houssaye where it has its entrance, 154 Avenue des Champs Elysees and 2 rue de Tilsitt including all parts of the property and, in particular, all structures, all messages, all fixtures, any equipment which may be a fixture, plus all new construction or improvements which may be made (the "Champs-Elysees Property").

(please see continuation sheet)

Please do not write in this binding margin

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

Particulars as to commission allowance or discount (Note 3)

N/A

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Signed

*A. Deniz*

Date 06/06/2001

On behalf of ~~[company]~~ [mortgagee/chargee]†

**Notes**

† delete as appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debentures", "Mortgage", or "Legal charge", etc. as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Please do not  
write in this  
binding margin

## COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge  
(continued)**

Continuation sheet No 1  
to Form No 395 and 410 (Scot)

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

\* delete if  
inappropriate

Company number

48125

Name of company

**THE RITZ HOTEL, LIMITED (the "Borrower")**~~deleted~~ \*

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Please do not  
write in this  
binding margin

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

Please do not  
write in this  
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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

**2. As security for the Guaranteed Obligations the Borrower charges by way of first priority security to the Lender the hotel and restaurant business of the Ritz Hotel (the "Business") which consists of:**

- (a) the logo, trade name, clientele and goodwill;**
- (b) the furniture, hardware (including technical, commercial and advertising), equipment and tools used for running it;**
- (c) the benefit of the Licence IV granted by the General Directorate of Customs and Indirect Taxes on 16 October 1979;**

with the stipulation that, by express agreement between the Lender and the Borrower, it has agreed that the portfolio of "RITZ" brands and other brands of which the Borrower is the holder are excluded from the security.

The Borrower expressly undertakes, in the event of the Business being the subject of sale by auction, to grant the purchaser a lease of the Ritz Hotel under market conditions. The Borrower also undertakes to allow the purchaser the full and entire use of the name "Ritz" within the framework of and for the exclusive needs of the running of the Business, as it is run at present.

**3. As security for the Guaranteed Obligations, the Borrower assigns to the Lender the benefit of the following insurance policies (subject to the conditions set forth below):**

- (a) In relation to the Ritz Hotel, policy no. 13053159 taken out with Assurances Generales de France-AGF, effective date 1 January 2001; and**
- (b) In relation to the Champs-Elysees Property, policy no. 200007718116E taken out with AXA Assurances, effective date 17 November 1991 (together the "Insurance Policies").**

In the event of a total loss of the Ritz Hotel or the Champs-Elysees Property, all sums recovered under the Insurance Policies shall be paid to the Lender up to the secured amount of the Ritz Hotel or the Champs-Elysees Property (as the case may be) plus five per cent of such amount.

In the event of a partial loss of the Ritz Hotel or the Champs-Elysees Property, only sums equal to or greater than ~~€~~700,000 shall be paid to the Lender who shall place such sums into an escrow account for application towards the restoration of the Ritz Hotel or the Champs-Elysees Property, as the case may be.

The Borrower undertakes to refrain from granting any right whatsoever, of any nature whatsoever or any charge whatsoever on the Insurance Policies and from transferring, assigning or encumbering the rights relating to them.

Any significant modification of the period or other terms and conditions of the Insurance Policies, and any transaction made or action taken by the Borrower in relation to the Insurance Policies may not take place without the Lender's written authorisation not to be unreasonably withheld or delayed.

The above assignment and restrictions extend to any replacement or extension of the Insurance Policies and to any additional policies taken out in relation to the Ritz Hotel or the Champs-Elysees Property.

(please see continuation sheet)

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

Please do not  
write in this  
binding margin

## Particulars of a mortgage or charge (continued)

Continuation sheet No 2  
to Form No 395 and 410 (Scot)

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

Company number

48125

Name of company

**THE RITZ HOTEL, LIMITED (the "Borrower")**

*limited* \*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Please do not  
write in this  
binding margin

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



Please do not  
write in this  
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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

**4. The Agreement further provides:**

- (a) The Borrower undertakes to take all necessary steps to maintain the validity and enforceability of the Security**
- (b) The Borrower must at all times be covered against the risk of six-month EURIBOR rising above 6%, for the full Amounts Outstanding for the duration of the Agreement and should hedging agreements be concluded with a third party the Borrower must transfer to the Lender, as security, its right to payment under those hedging agreements.**
- (c) The Borrower will not take any action which could affect the validity or effectiveness of the Finance Documents**
- (d) The Borrower will not grant or permit to exist any mortgage, right to preferential payment or any other security on the assets (including the Assets) of the Borrower other than those ensuing from the Security Documents and the mortgage registers attached to the Agreement with the exception of (i) security already in existence on the Date of Signature, of which the Lender was advised in writing prior to the Date of Signature, and (ii) legal securities and rights to preferential payment**
- (e) The Borrower will not sell or dispose of its assets other than in the normal course of its business with the exception of operations about which the Lender was advised in writing on the Date of Signature nor will it sell any part of the Assets**
- (f) The Borrower will not grant sureties, endorsements or guarantees to anyone whatsoever except (i) sureties, endorsements or guarantees already in existence on the Date of Signature about which the Lender was informed prior to the signature of the Agreement and (ii) sureties, endorsements and guarantees granted in connection with its business activities and for the purposes of the normal exploitation of the Assets, up to a maximum accumulated amount of €1,000,000 per annum**
- (g) Should the Borrower fail to comply with the financial ratios set out in the Agreement the Lender shall be able to set aside, as a guarantee, an escrow account, opened in the Borrower's name into which the Borrower shall pay an amount sufficient to remedy the Borrower's failure to comply with the financial ratios such amount to be released upon compliance with the financial ratios pursuant to the terms of the Agreement.**

**5. In this Form and its continuation sheets the following additional definitions are used:**

**"Assets" means the Ritz Hotel Property, the Business and the Champs-Elysees Property**

**"Amounts Outstanding" shall mean at any given time during the term of the Loan, the accumulated principal amount of the Loan forming the subject of the First Drawing and the Second Drawing, where applicable, which amount has not been repaid.**

**"Commercial Debt Assignment Agreement" shall mean the agreement made on 18 May 2001 between the Lender and the Borrower, according to which the Borrower assigns to the Lender, as security, all of its outstanding rent and charges including VAT present and/or future in respect of the commercial leases pertaining to the Champs-Elysees Property.**

**"Date of Signature" means 18 May 2001.**

**"EURIBOR" shall mean the interbank interest rate for Euro deposits for a term equivalent to the Interest Period, calculated from the rate published by a panel of participating banks on Telerate page 248 under the aegis of the European Banking Federation every Working Day around 11.00 am (Brussels time), two (2) Working Days before the first day of the Interest Period in question (or if this is not a Working Day then the first Working Day falling at least two Working Days before the first day of said Interest Period) or any other index that might replace this, as published under the aegis of the European Banking Federation.**

**"Euros" shall mean the currency, from 1 January 1999, of Participating Member States.**

please see continuation sheet

Please do not  
write in this  
binding margin

## Particulars of a mortgage or charge (continued)

Continuation sheet No 3  
to Form No 395 and 410 (Scot)

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

Company number

48125

Name of company

THE RITZ HOTEL, LIMITED (the "Borrower")

~~delete~~ \*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

Please do not  
write in this  
binding margin

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

Please do not  
write in this  
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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

**"Family Interest" shall mean any company in any form whatsoever or any other investment vehicle controlled directly or indirectly by or for the benefit of Mr Mohamed Al Fayed.**

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

**"Finance Documents" shall mean the Agreement, the Subordination Agreement, the Interest Rate Hedging Agreement, the letter relating to the arranger's fee and the Security Documents.**

**"First Drawing" shall mean the amount made available to the Borrower subject to a ceiling limit of €137,200,000.**

**"First Drawing Notification" shall mean the irrevocable demand for the First Drawing to be made available as submitted by the Borrower.**

**"First Drawing Notification Date" shall mean the date on which the First Drawing is made available, as indicated in the First Drawing Notification, on 18 May 2001.**

**"Group" shall mean the group formed by the Guarantors and the Borrower (including any company in any legal form whatsoever in which the Borrower directly or indirectly holds a portion of the share capital, with the exception of minority shareholdings in listed credit institutions).**

**"Guarantors" shall mean Ritz (Paris) Holdings Limited and RH Paris Holding SA, and any assignees thereof.**

**"Interest Period" shall mean the Interest Period of the First Drawing, and/or as applicable, the Interest Period of the Second Drawing.**

**"Interest Rate Hedging Agreement" shall mean (i) the following agreements to be made between the Lender and the Borrower: the 5.355% fixed rate swap against the six-month EURIBOR rate for an initial notional amount of €113,050,000 over a term of eight (8) years, for which pre-confirmation was signed on 17 May 2001; (ii) the cap guarantee covering the risk of a rise above 5.50% in the six-month EURIBOR rate for a notional initial amount of €24,150,000 over a term of three (3) years, for which pre-confirmation was signed on 17 May 2001; (iii) the contract to cover the risk of a rise above 6% in the six-month EURIBOR rate for a notional initial amount of €3,800,000 over a term commencing on the Second Draw Notification Date and expiring upon the Repayment Date, for which pre-confirmation will be signed on the Second Draw Notification Date at the latest.**

**"Loan" means the €141,000,000 loan made pursuant to this Agreement.**

please see continuation sheet

Continuation sheet No 4  
to Form No 395 and 410 (Scot)

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

Company number

\* delete if inappropriate

Name of company

**THE RITZ HOTEL, LIMITED (the "Borrower")**

~~11/22/2001~~

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

Please do not  
write in this  
binding margin

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



Please do not  
write in this  
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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

**"Participating Member States" shall mean:**

- (i) the Member States listed under Article 1 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro;**
- (ii) any other Member State adopting the Euro after the date on which the Euro becomes the official currency of this Member State.**

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

**"Repayment Date" shall mean the eighth anniversary of the First Drawing Notification Date on which the Loan shall be repaid in full.**

**"Second Drawing" shall mean the amount made available to the Borrower subject to a ceiling limit of € 3,800,000.**

**"Second Drawing Notification" shall mean the irrevocable demand for the Second Drawing to be made available as submitted by the Borrower.**

**"Second Drawing Notification Date" shall mean the date on which the Second Drawing is made as indicated in the Second Drawing Notification, to take place between 18 May 2001 and 28 December 2001.**

**"Security" shall mean the secured claims or guarantees given in the Lender's favour under the Agreement and/or the Security Documents.**

**"Security Documents" shall mean the Share Pledge Agreement and the Commercial Debt Assignment Agreement.**

**"Share Pledge Agreement" shall mean the agreements made on 18 May 2001 between the Lender and each of the Guarantors according to which the Guarantors pledge all of their shares in the Borrower to the Lender.**

**"Subordination Agreement" shall mean the agreement made on 18 May 2001 between the Borrower, the Subordinated Creditors and the Lender according to which the Subordinated Creditors subordinate the amounts owed to them by the Borrower until repayment in full of the Loan by the Borrower.**

**"Subordinated Creditors" shall initially mean Ritz (Paris) Holdings Limited and, after the Date of Signature, any company in the Group or Family Interest making a loan, credit, contribution to an associated current account or advance to the Borrower.**

**"Working Day" shall mean any day other than Saturday and Sunday, where:**

- i. the banks are open in Paris; and**
- ii. with respect to the acquisition or payment of any sum in Euros, the Trans-European Automated Real Time Gross Settlement Express Transfer system is open.**

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 00048125

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LOAN AGREEMENT EXECUTED OUTSIDE THE UNITED KINGDOM AND COMPRISING PROPERTY SITUATED THERE DATED THE 18th MAY 2001 AND CREATED BY RITZ HOTEL LIMITED(THE) FOR SECURING ALL OBLIGATIONS FOR THE PAYMENT OF ALL PRINCIPAL SUMS UP TO A MAXIMUM OF 141,000,000 EUROS DUE OR TO BECOME DUE FROM THE COMPANY TO THE ROYAL BANK OF SCOTLAND plc PURSUANT TO THE AGREEMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 7th JUNE 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11th JUNE 2001.

*posc  
New.*



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —