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\* insert full name  
of company

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985



# 395

RBS Z440X44  
075345

To the Registrar of Companies

For official use

Company number



911474

Name of company

\* SANCTUARY RECORDS GROUP LIMITED ("the Company")

Date of creation of the charge

11th August 2000

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

DEED OF AMENDMENT TO A COMPOSITE GUARANTEE AND DEBENTURE DATED 29TH OCTOBER 1998 ("the Deed").

Amount secured by the mortgage or charge

All indebtedness, liabilities and obligations which are as at 11th August 2000 or may at any time thereafter be due, owing or incurred to the Lender under the Mezzanine Documents, by any Charging Company, whether solely or jointly with any other person and whether as principal or surety and including interest, commission and other lawful charges or expenses payable pursuant to the terms of the Mezzanine Documents ("the Secured Obligations").

continued on continuation sheet 1, page 2

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

ABN AMRO CAUSEWAY MEZZANINE PARTNERSHIP LP, c/o ANB AMRO Development Capital (Guernsey) Limited, Barfield House, St Julian's Avenue, St Peter Port, Guernsey GY1 3QL ("the Lender").

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

DLA  
3 Noble Street  
London  
EC2V 7EE

SS/ams/Banking

Time critical reference  
swana SRGL Amend.1fd

For official use  
Mortgage Section

Post room



A08  
COMPANIES HOUSE

0852  
30/08/00

1. FIXED AND FLOATING CHARGES

With full title guarantee and as a continuing security for the payment or discharge of all the Secured Obligations and all its other obligations under the Deed:-

1.1 The Company in respect of the Secured Obligations charged to the Lender by way of first legal mortgage:-

1.1.1 all its freehold and leasehold interest in the properties title to which is registered at HM Land Registry described in Part I of the Schedule hereto together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including other trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and its fixed plant and machinery at any time thereon;

continued on continuation sheet 1, page 4

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Particulars as to commission allowance or discount (note 3)

N/A

Signed

DLA

Date

25/8/00

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

† delete as  
appropriate

**NOTES**

- 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", "Debenture", "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.

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

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

CHA 116

Please complete  
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Company Number

911474

Name of Company

SANCTUARY RECORDS GROUP LIMITED ("the Company")

~~limited~~\*

\* delete if  
inappropriate

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

## NOTE.

In this form:-

"the Act" means the Law of Property Act 1925;

"Charged Property" means the property referred to in Clause 4 of the Guarantee and Debenture and all other property of whatsoever nature from time to time charged by or pursuant to the Deed;

"the Charging Companies" are:- The Sanctuary Group Plc (CRN: 284340), Sanctuary Enterprises Plc (CRN: 2922441), Sanctuary Services Limited (CRN: 1890289), Sanctuary Management Limited (CRN: 1288530), Sanctuary Music Management Limited (CRN: 1588900), Sanctuary Management Productions Limited (CRN: 1588892), Focus Business Management Limited (CRN: 1296905), Sanctuary Publishing Limited (CRN: 3197318), Sanctuary Agency Services Limited (CRN: 1741280), Sanctuary Records Limited (CRN: 2694276), Sanctuary Studios Limited (CRN: 3050388), Planet 3 Records Limited (CRN: 2770828), One World Entertainment Company Limited (CRN: 3104348), Fox Studios Limited (CRN: 771473), Polar Union Limited (CRN: 1901495), Cloud 9 Screen Entertainment Limited (CRN: 2897824), Cumulus Distribution Limited (CRN: 2898779), Sanctuary Screen Holdings Limited (CRN: 2718425), Cloud 9 (The Tribe) Limited (CRN: 3584646), International Licensing Syndicate Limited (CRN: 1943869), Mayan Records Limited (CRN: 3483370), Helter Skelter Agency Limited (CRN: 3522889), Air Raid Records Limited (CRN: 3524095), Asylum Studios Limited (CRN: 3456783), ASV Limited (CRN: 1499597), Beast Records Limited (CRN: 3342335), Chop 'Em Out Productions Limited (CRN: 3645562), Sanctuary Administration Limited (CRN: 3063733), Splendid Limited (CRN: 3385835), Cloud 9 Screen Entertainment Group Limited (CRN: 3478184), Echopool Limited (CRN: 3264610), Sanctuary Music Publishing Limited (CRN: 2898402), IMS Enterprises Limited (CRN: 3086849), Maxiam Limited (CRN: 3153258), Viper Records Limited (CRN: 3098001), Sanctuary Sports Management Limited (CRN: 3573014), Music Is It... Limited (CRN: 3924413), Metal Is It... Limited (CRN: 3924414), Fleetwood Mobiles Limited (CRN: 2875386), Law 961 Limited (CRN: 3540099), Sanctuary Records Group Limited (CRN: 911474), Sanctuary Copyrights Limited (CRN: 2722628), Ted D Bear Limited (CRN: 1779020), Templeco 347 Limited (CRN: 3346029);

"Encumbrance" includes any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, or any other security agreement or arrangement (excluding retention of title clauses) whether relating to existing or future assets;

"Event of Default" means any of the events specified in Clause 22 of the Mezzanine Loan Agreement;

"Group" means The Sanctuary Group plc (CRN: 284340) and its Subsidiaries from time to time (other than the Ring Fenced Companies), "Group Company" means any of them and "Group Companies" means all of them;

"Guarantee and Debenture" means the Composite Guarantee and Debenture dated 29th October 1998 as amended by the Deed of Amendment dated 1st July 1999 and the Deed;

"Intellectual Property" means all copyrights, patents and registered and unregistered designs (including applications and rights to apply therefor), inventions, rights in trademarks and service marks whether registered or not (including all registrations thereof and applications and rights to apply therefor), confidential information and know-how and fees, royalties and other rights of every kind deriving from copyright, patents or inventions or other intellectual property throughout the World;

continued on continuation sheet 2, page 2

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

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1.1.2 all other freehold and leasehold interests in the properties vested in it as at 11th August 2000 but title to which is not registered at HM Land Registry described in Part II of the Schedule hereto together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including other trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and its fixed plant and machinery at any time thereon;

1.2 The Company in respect of the Secured Obligations charged to the Lender by way of first fixed charge:-

1.2.1 all present and future freehold and leasehold property of the Company not otherwise charged by way of legal charge pursuant to Clauses 4.1.1 or 4.1.2 of the Guarantee and Debenture together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and its fixed plant and machinery at any time thereon;

1.2.2 all estates and interests not before effectively charged as at 11th August 2000 or thereafter belonging to the Company in or over land wheresoever situate or the proceeds of sale of land and all licences as at 11th August 2000 or thereafter held by the Company to enter upon or use land and the benefit of all other agreements relating to land to which the Company is or may become a party or otherwise entitled and all trade and tenants' fixtures, plant and machinery owned by the Company as at 11th August 2000 or thereafter annexed to all freehold and leasehold property its estate or interest in which stands charged under the Deed;

1.2.3 all stocks, shares (including but not limited to shares in any Subsidiary (other than a Ring Fenced Company)), debentures, loan capital, right to subscribe for, convert other securities into or otherwise acquire any stocks, shares, debentures or loan capital of any other body corporate as at 11th August 2000 or at any time thereafter belonging to the Company, together with all dividends (unless such dividends are or are to be paid in satisfaction of any of the Secured Obligations, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

1.2.4 the goodwill of the Company and its uncalled capital as at 11th August 2000 or at any time thereafter in existence and future calls (whether made by the directors of the Company or by a Receiver or a liquidator);

1.2.5 all Intellectual Property as at 11th August 2000 or at any time thereafter belonging to or created by or assigned to or licensed to the Company;

1.2.6 all plant, vehicles and machinery as at 11th August 2000 or at any time thereafter belonging to the Company (excluding however plant and machinery for the time being forming part of its stock in trade or work in progress);

1.2.7 all chattels as at 11th August 2000 or at any time thereafter hired, leased or rented by the Company to any other person together in each case subject to and with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligations of any person under or in respect of such contract;

continued on continuation sheet 2, page 4

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

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

CHA 116

Please complete  
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Company Number

911474

Name of Company

SANCTUARY RECORDS GROUP LIMITED ("the Company")

Limited\*

\* delete if  
inappropriate

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

Please complete  
legibly, preferably  
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"Mezzanine Documents" means the Mezzanine Loan Agreement, the Guarantee and Debenture and any other documents, deeds, guarantees or Mezzanine Documents executed from time to time by or in favour of the Lender in relation to any amounts owing or liabilities incurred by any Group Company to the Lender;

"the Mezzanine Loan Agreement" means the original mezzanine loan agreement dated 3rd September 1997 between Sanctuary Enterprises Plc (formerly The Sanctuary Group Plc) (CRN: 2922441) (1) and the Lender (2) as amended, restated and/or supplemented by:-

- (i) a supplemental agreement dated 20th May 1998 entered into between (1) the Lender, (2) Sanctuary Enterprises Plc (CRN: 292241) and (3) Cloud 9 Screen Entertainment Limited (CRN: 2897824); and
- (ii) a second supplemental agreement dated 3rd July 1998 entered into between (1) the Lender, (2) Sanctuary Enterprises Plc (CRN: 292241) and (3) Cloud 9 Screen Entertainment Limited (CRN: 2897824); and
- (iii) a third supplemental agreement dated 29th October 1998 entered into between (1) the Lender, (2) Sanctuary Enterprises Plc (CRN: 292241) and (3) Cloud 9 Screen Entertainment Limited (CRN: 2987824); and
- (iv) the fourth supplemental agreement dated 1st July 1999 entered into between (1) the Lender, (2) Sanctuary Enterprises Plc (CRN: 292241) and (3) Cloud 9 Screen Entertainment Limited (CRN: 2987824);

"Permitted Encumbrance" means any of:-

- (i) a lien or right of set-off arising between Charging Companies or in the ordinary course of business solely by operation of law (or by contractual provisions having a substantially similar effect) and securing amounts not more than twenty eight (28) days overdue or where the payment of the amount is being contested in good faith;
- (ii) an Encumbrance which the Lender has at any time in writing agreed shall be a Permitted Encumbrance;
- (iii) an Encumbrance arising under the Mezzanine Documents;
- (iv) an Encumbrance over any asset arising in the ordinary course of business as a result of a retention or title transfer provision in the contract relating to the acquisition of that asset;
- (v) an Encumbrance arising by virtue of a Permitted Borrowing;
- (vi) an Encumbrance over any asset of the Company that was created prior to 29th October 1998, that shall not be discharged or released on 29th October 1998 but disclosure of which has been made to the Lender;
- (vii) an Encumbrance granted over any assets of a Ring Fenced Company or the shares of a Ring Fenced Company acquired by a Group Company as security for Borrowings incurred to finance or refinance all or part of the consideration for the acquisition of the assets or shares of a Ring Fenced Company;

"Receivables" means all present and future book debts, rentals, royalties, fees, VAT and all other amounts recoverable or receivable by the Company from any other person due or owing to the Company and the benefit of all rights relating thereto including, without limitation, negotiable instruments, legal or equitable charges, reservations of property rights, rights of tracing and unpaid vendors' liens and similar associated rights;



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

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1.2.8 all Receivables;

1.2.9 the benefit of all contracts licences consents and authorisations (statutory or otherwise) ("the Contracts") held in connection with its business or the use of any Charged Property specified in any other paragraph or sub-paragraph of Clause 4 of the Guarantee and Debenture and the right to recover and receive all compensation which may be payable to it in respect of them;

1.3 The Company in respect of the Secured Obligations charged to the Lender by way of first floating charge all its undertaking and all its property and assets whatsoever and wheresoever situated both present and future, including (without prejudice to the generality of the foregoing) (i) heritable property and all other property and assets in Scotland and (ii) the proceeds of collection of any Receivables, but excluding any property or assets from time to time or for the time being effectively charged by way of fixed charge under or pursuant to the Guarantee and Debenture.

1.4 The security from time to time constituted by or pursuant to the Deed shall:-

1.4.1 be in addition to and shall be independent of every bill, note, guarantee, mortgage or other security which the Lender may at any time hold for any of the Secured Obligations and the Company declared that no prior security held by the Lender over the Charged Property or any part thereof shall merge into the security created by or pursuant to the Deed; and

1.4.2 remain in full force and effect as a continuing security until earlier of (i) the Lender having certified in writing that the Secured Obligations have been discharged in full and (ii) the security constituted by the Deed having been released.

## 2. CRYSTALLISATION OF FLOATING CHARGE

2.1 The Lender may by notice in writing to the Company convert the floating charge created pursuant to Clause 4.3 of the Guarantee and Debenture into a fixed charge as regards all or any of the Company's assets charged under Clause 4.3 of the Guarantee and Debenture (or, if applicable, Clause 6.2 of the Guarantee and Debenture) and specified in the notice if:-

2.1.1 an Event of Default under the Mezzanine Loan Agreement occurs which remains unremedied or unwaived; or

2.1.2 the Lender in its absolute discretion considers those assets to be in danger of being seized, or sold under any form of distress, attachment, execution or other legal process.

2.2 The floating charge created by the Company under the Guarantee and Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge in relation to the assets of the Company:-

2.2.1 on the convening of any meeting of the members of the Company to consider a resolution to wind up the Company; or

2.2.2 on the presentation of a petition (other than a petition determined by the Lender to be frivolous or vexatious) to wind up the Company which is not discharged within fourteen days; or

2.2.3 on the appointment of an administrator to the Company; or

continued on continuation sheet 3, page 4

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## Particulars of a mortgage or charge (continued)

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

CHA 116

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Company Number

911474

Name of Company

SANCTUARY RECORDS GROUP LIMITED ("the Company")

Limited\*

\* delete if  
inappropriate

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

"Receiver" means any receiver or receiver and manager or administrative receiver appointed by the Lender under or by virtue of the Deed whether alone or jointly with any other person and includes any substitute for any of them appointed from time to time;

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"Ring Fenced Companies" means any future - acquired or incorporated Subsidiary of any Group Company which is acquired and financed entirely independently from the Lender or the Company and which has no recourse to the Company in respect of any loans, guarantees, security or other liabilities whatsoever;

"Subsidiary" means:-

(i) a subsidiary as defined in Section 736 of the Companies Act, 1985;  
and

(ii) for the purposes of Clause 19 (Financial Condition) of the Mezzanine Loan Agreement only a subsidiary undertaking as defined in Section 258 of the Companies Act 1985.

#### SCHEDULE

##### Part I

##### Details of Registered Land

The Leasehold property known as 45-53 Sinclair Road, Hammersmith, London and registered at HM Land Registry under title number BGL14049.

##### Part II

##### Details of Unregistered Land

None

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

**Please complete  
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2.2.4 if the Company fails to comply with its obligations under Clause 6 of the Guarantee and Debenture

PROVIDED ALWAYS that in such circumstances the floating charge shall be converted into a fixed charge in respect only of the assets of the Company which have been encumbered or that have been otherwise sold, discounted, factored, transferred, leased, lent or otherwise disposed of.

2.3 Service by the Lender of a notice pursuant to Clause 5.1 of the Guarantee and Debenture in relation to any class of assets of the Company shall not be construed as a waiver or abandonment of the Lender's rights to serve similar notices in respect of any other class of assets or of any other of the rights of the Lender under the Deed.

### 3. NEGATIVE PLEDGE AND FURTHER SECURITY

3.1 The Company covenanted that during the continuance of the security it shall not without the consent in writing of the Lender (such consent not to be unreasonably withheld or delayed):-

3.1.1 create, extend or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon any of the Charged Property to secure any liability, actual or contingent;

3.1.2 save as permitted or required under the Deed or under the Mezzanine Loan Agreement, sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or, save in the normal course of business, any part of the Charged Property;

3.1.3 sell, factor, discount, assign or otherwise deal in or dispose of any of its book debts or other debts (present or future) including any of its negotiable instruments, rights of tracing, unpaid vendor's liens or similar associated rights, rental income or royalties

3.2 Without prejudice to the generality of the covenant for further assurance deemed to be included in the Guarantee and Debenture by virtue of Section 76(1)(C) of the Act, the Company shall from time to time whensoever requested by the Lender and at the Company's cost, execute in favour of the Lender, or as the Lender may reasonably direct, such further or other legal assignments, transfers, mortgages, legal or other charges or securities as in each case it may be lawful for the Company to execute and are not inconsistent with the provisions of the Deed or the Mezzanine Loan Agreement and the Lender shall reasonably stipulate over the Charged Property for the purpose of more effectively providing the security stipulated in the Guarantee and Debenture for the payment or discharge of the Secured Obligations. Without prejudice to the generality of the foregoing, such assignments, transfers, mortgages, legal or other charges or securities shall be in such form as the Lender may reasonably require and may contain provisions such as are contained in the Guarantee and Debenture and provisions to the like effect to the extent it is legally able to do so and/or such other provisions of whatsoever kind as the Lender shall reasonably consider requisite for the perfection of the security constituted by or pursuant to the Deed.

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00911474

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF AMENDMENT TO A COMPOSITE GUARANTEE AND DEBENTURE DATED 29 OCTOBER 1998 (THE "DEED") DATED THE 11th AUGUST 2000 AND CREATED BY SANCTUARY RECORDS GROUP LIMITED FOR SECURING ALL INDEBTEDNESS LIABILITIES AND OBLIGATIONS DUE OWING OR INCURRED TO ABN AMRO CAUSEWAY MEZZANINE PARTNERSHIP LP UNDER THE MEZZANINE DOCUMENTS BY ANY CHARGING COMPANY (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 30th AUGUST 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 31st AUGUST 2000.

*RB*



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



C O M P A N I E S H O U S E