

**M**Please do not  
write in  
this margin**COMPANIES FORM No. 395****Particulars of a mortgage or charge****395**

Pursuant to section 395 of the Companies Act 1985

**CHA 116**Please complete  
legibly, preferably  
in black type, or  
bold black lettering

To the Registrar of Companies

For official use

Company number

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

1890289

Name of company

SANCTUARY SERVICES LIMITED ("the Company")

\*insert full name  
of company

Date of creation of the charge

3rd July 1998

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

DEED OF AMENDMENT TO A COMPOSITE GUARANTEE AND DEBENTURE  
ORIGINALLY DATED 3RD SEPTEMBER 1997 ("the Deed")

Amount secured by the mortgage or charge

All indebtedness, liabilities and obligations which are as at 3rd July 1998 or may at any time thereafter be due, owing or incurred to the Lender under the Mezzanine Loan Agreement, by the Borrower, whether pursuant to the Guarantee or otherwise, and 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 Loan Agreement and the Deed ("the Primary Secured Obligations").

continued on continuation sheet 1, page 2

A  
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Sanctuary Services Ltd.

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

ABN AMRO CAUSEWAY MEZZANINE PARTNERSHIP LP c/o ABN AMRO  
Causeway Mezzanine Limited of 7 Hanover Square London W1R 9HE ("the Lender")

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

Dibb Lupton Alsop  
125 London Wall  
London EC2Y 5AE

PMB/ams/banking

H:\wardland\forms\SecSec.am2

Time critical reference

For official use  
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1. **FIXED AND FLOATING CHARGES**

With effect from 3rd July 1998 the Company, with full title guarantee and as a continuing security for the payment or discharge of all the Primary Secured Obligations and all its other obligations under the Deed:-

1.1 the Company 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 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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lettering

Particulars as to commission allowance or discount (note 3)

N/A

Signed

*D. Sh. Gupta Agar*

Date

*20 / 7 / 98*

On behalf of ~~company~~ (mortgagee/chargee)†

† 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", "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.

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

Please do not  
write in this  
binding margin

## Particulars of a mortgage or charge (continued)

CHA 116

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

Please complete  
legibly, preferably  
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Company Number

1890289

Name of Company

SANCTUARY SERVICES LIMITED ("the Company")

Limited\*

\* 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)

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

"the Borrower" means Sanctuary Enterprises plc (formerly The Sanctuary Group Plc)(CRN: 2922441);

Please complete  
legibly, preferably  
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bold block lettering

"Charged Property" means the property referred to in Clauses 4 and 5 of the Guarantee and Debenture and all other property of whatsoever nature from time to time charged by or pursuant to the Deed;

"Charging Companies" means those companies listed in the First Schedule of the Deed;

"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;

"the Guarantee" means the Guarantee contained in sub-clause 2.1 of the Guarantee and Debenture as extended by the third schedule thereto;

"the Guarantee and Debenture" means the Composite Guarantee and Debenture dated 3rd September 1997 in favour of the Lender as amended by the First Deed of Amendment (as more particularly defined in 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;

"Mezzanine Loan Agreement" means the Mezzanine Loan Agreement between (1) the Borrower (2) Cloud 9 Screen entertainment Limited and (3) the Lender originally dated 3rd September 1997 as amended and restated by a supplemental agreement dated 20th May 1998 and further amended and restated by a supplemental agreement dated 3rd July 1998;

"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 (as more particularly defined in the Mezzanine Loan Agreement);
- (iv) an Encumbrance over any asset arising in the ordinary course of business as a result of a title-retention or title transfer provision in the contract relating to the acquisition of that asset;

*continued on continuation sheet 2, page 2*

Please do not  
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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

Short particulars of all the property mortgaged or charged (continued)

Please do not  
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- 1.1.2 all other freehold and leasehold interests in the properties vested in it as at 3rd July 1998 but title to which is not registered at HM Land Registry described in 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 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 (as more particularly described in paragraphs 1.1.1 and 1.1.2 above) 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 3rd July 1998 or thereafter belonging to the Company in or over land wheresoever situate or the proceeds of sale of land and all licences as at 3rd July 1998 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 3rd July 1998 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 except the shares held by Sanctuary Agency Services Limited in Jump For Joy Limited or any shares in ICM (Music) International Limited ("ICM") (formerly known as Shelfcorp 12 Limited) received by Sanctuary Agency Services Limited pursuant to an option agreement dated 1st September 1991 between ICM (1) Jump For Joy Limited (2) Sanctuary Agency Services Limited (3) and others (4)), 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 3rd July 1998 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 Primary 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 3rd July 1998 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 3rd July 1998 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 3rd July 1998 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);

*continued on continuation sheet 2, page 4*

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

Please do not  
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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  
legibly, preferably  
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bold block lettering

Company Number

1890289

Name of Company

SANCTUARY SERVICES LIMITED ("the Company")

Limited

\* 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  
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- (v) an Encumbrance arising by virtue of a Permitted Borrowing (as more particularly defined in the Mezzanine Loan Agreement);
- (vi) an Encumbrance over any asset of Charging Company that was created prior to the date hereof, that shall not be discharged or released on the date hereof but disclosure of which has been made to the Lender;

Please complete  
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"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;

"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;

"Related Rights" means in relation to the Relevant Shares, all dividends and interest paid or payable in relation thereto and all stocks, shares, securities (and the dividends or interest thereon), rights, moneys or property accruing or offered at any time in relation to such shares or other securities by way of redemption, substitution, exchange, bonus or preference, pursuant to option rights or otherwise in respect of any of the Relevant Shares or in substitution or exchange for any of the Relevant Shares;

"the Relevant Shares" means 6,012,692 issued shares in the capital of Sanctuary Music Productions plc (company registration number: 2694276).

## THE 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



Please do not  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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Short particulars of all the property mortgaged or charged (continued)

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- 1.2.7 all chattels as at 3rd July 1998 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;
- 1.2.8 all Receivables; and
- 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 (as more particularly described in this paragraph 1) and the right to recover and receive all compensation which may be payable to it in respect of them.
- 1.3 The Company 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 the 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 Deed.
- 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 Primary Secured Obligations and it was declared that no prior security held by the Lender over the Charged Property or any part thereof shall merge into the security created by the Deed or pursuant thereto; and
  - 1.4.2 remain in full force and effect as a continuing security until the earlier of (i) the Lender having certified in writing that the Primary Secured Obligations have been discharged in full and (ii) the security constituted by the Deed having been released.

## 2. CHARGES ON RELEVANT SHARES BY THE BORROWER

- 2.1 The Borrower, as sole beneficial owner of the Relevant Shares as continuing security for the payment, discharge and performance of all the Primary Secured Obligations:
  - 2.1.1 charged and agreed to charge to the Lender all the Relevant Shares held as at 3rd July 1998 or in the future by it and/or any nominee on its behalf, the same to be a security by way of a charge; and
  - 2.1.2 charged and agreed to charge to the Lender all the Related Rights accruing to all or any of the Relevant Shares held as at 3rd July 1998 or in the future by it and/or any nominee on its behalf, the same to be a security by way of a charge; and

*continued on continuation sheet 3, page 4*

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

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

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

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Please complete  
legibly, preferably  
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bold block lettering

Company Number

1890289

Name of Company

SANCTUARY SERVICES LIMITED ("the Company")

Limited

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

Please complete  
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Short particulars of all the property mortgaged or charged (continued)

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2.1.3 has undertaken to comply with its obligations under Clause 5.2 of the Guarantee and Debenture.

2.2 The Borrower shall by way of security for the Primary Secured Obligations:

2.2.1 produce to the Lender on Completion all share certificates in respect of the Relevant Shares and to deliver share transfer forms in blank in respect of the Relevant Shares duly executed by the registered holders of the Relevant Shares and the Lender will hold the same by way of security on the terms set out in the Deed;

2.2.2 immediately on receipt of any certificate or other document evidencing any entitlement to any further or other Relevant Shares deposit it with the Lender together with such share transfer forms in blank which the Lender will hold by way of security on the terms set out in the Deed.

Please complete  
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### 3. CRYSTALLISATION OF FLOATING CHARGE

3.1 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 (as more particularly described in paragraph 1.3 above) into a fixed charge as regards all or any of the Company's assets charged thereunder and specified in the notice if:

3.1.1 an Event of Default occurs which remains unremedied or unwaived; or

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

3.2 The floating charge created by the Company under the Deed 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:-

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

3.2.2 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

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

3.2.4 if the Company fails to comply with its obligations under Clause 7 of the Guarantee and Debenture (as more particularly described in paragraph 3 below)

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.

*continued on continuation sheet 4, page 4*

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

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

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

Please complete  
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Company Number

1890289

Name of Company

SANCTUARY SERVICES LIMITED ("the Company")

Limited\*

\* delete if  
inappropriate

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

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

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

Please complete  
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bold block lettering

Short particulars of all the property mortgaged or charged (continued)

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- 3.3 Service by the Lender of a notice pursuant to Clause 6.1 of the Guarantee and Debenture (as more particularly described in paragraph 3.1 above) 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.

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

#### 4. NEGATIVE PLEDGE AND FURTHER SECURITY

- 4.1 The Company has covenanted with the Lender that during the continuance of the security it shall not without the consent in writing of the Lender:-

4.1.1 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;

4.1.2 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 trading, any part of the Charged Property.

4.1.3 sell, factor, discount assign or otherwise deal in or dispose of any of its book debts or other debts (as at 3rd July 1998 or future) including any of its negotiable instruments rights of tracing, unpaid vendor's liens or similar associated rights, rental income or royalties.

- 4.2 Without prejudice to the generality of the covenant for further assurance deemed to be included in the Deed 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 Deed for the payment or discharge of the Primary 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 Deed 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. 01890289

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF AMENDMENT TO A COMPOSITE GUARANTEE AND DEBENTURE ORIGINALLY DATED 3rd SEPTEMBER 1997 DATED THE 3rd JULY 1998 AND CREATED BY SANCTUARY SERVICES LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM SANCTUARY ENTERPRISES PLC (BORROWER) TO ABN AMRO CAUSEWAY MEZZANINE PARTNERSHIP LP ON ANY ACCOUNT WHATSOEVER PURSUANT TO THE TERMS OF THE MEZZANINE LOAN AGREEMENT AND THE DEED WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 21st JULY 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd JULY 1998.

*Jennifer V Murphy*

JENNIFER V MURPHY

for the Registrar of Companies



COMPANIES HOUSE

ROSA  
CP  
22/7/98