

M

403a

Pursuant to section 403(1) of the Companies Act 1985

Company number

2

2202664

* Insert full name
of company

*Manga Entertainment Limited ("the Chargor")

† Delete as appropriate

[a director] ~~XXXXXXXXXX~~, ~~XXXXXXXXXX~~, ~~XXXXXXXXXX~~, ~~XXXXXXXXXX~~† of the above company, do solemnly and sincerely declare that the debt for which the charge described below was given has been paid or satisfied in (full) ~~XXXX~~†

† Insert a description of the instrument(s) creating or evidencing the charge, eg 'Mortgage', 'Charge', 'Debenture' etc.

Date and Description of charge ‡	
Debenture dated 18 July 2001	

Date of Registration \$ 1 August 2001

Name and address of [chargee] ~~XXXXXXXXXXXXXXXXXXXX~~
Ryko Corporation (the "Chargee") 555 West Street, New York, USA

§ The date of registration may be confirmed from the certificate

Short particulars of property charged a

The charges as detailed in the attached continuation sheet

Insert brief details of property

And I 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 Kensington Park Road
London W11 3RU

Declarant to sign below

Day Month Year

on 08 12 2003

before me

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

L. LOWY
L. LOWY + CO 500 CHISWICK HIGH
ROAD, LONDON, W4 5RG.

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

Paul Hastings: Ref: KSE
88 Wood Street, London
EC2V 7AJ

For official use
Mortgage section

Post room



LD3
COMPANIES HOUSE

0092
12/12/03

Notes

The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

Form 403a continuation sheet

1.1 The Chargor with full title guarantee hereby:

- 1.1.1 charges by way of first legal mortgage with the payment or other discharge of the Secured Obligations all (if any) freehold and/or leasehold property now vested in the Chargor of its own use and benefit;
- 1.1.2 charges by way of first legal mortgage with the payment or other discharge of the Secured Obligations all (if any) estates and interests in freehold and/or leasehold property in England and Wales now beneficially vested in the Chargor; and
- 1.1.3 charges by way of first fixed equitable charge with the payment or other discharge of the Secured Obligations all (if any) other estates or interests in freehold, leasehold or other immovable property wheresoever situate now or at any time hereafter vested in the Chargor or to which it is or may at any time hereafter be or become entitled;

together in each such case with all buildings and fixtures at any time on such property or any part of it (the "Company's Real Estate").

1.2 The Chargor with full title guarantee hereby charges by way of first fixed charge and with the payment or other discharge of the Secured Obligations:

1.2.1 all of the following, namely:

- (a) all the Chargor's existing and future book debts and the Fixed Assets;
- (b) all other debts of whatsoever kind which now are or at any time hereafter shall be owing to the Chargor (including, without limitation, debts represented by credit balances on accounts at, or deposits with the Chargee, or any other bank or other financial institution);
- (c) all other monetary claims and rights to payment (inclusive of claims and rights depending on the outcome of any contingency or the performance by the Chargor or any other person of any obligation) to which the Chargor now is or shall at any time hereafter be entitled (the "Chargor's Book and Other Debts");
- (d) (if for any reason not forming part of the debts, claims and rights described at (a), (b) or (c) above and to the extent not forming part thereof) all Insurance Proceeds and all rents, licence fees, royalties, dividends, interest and other payments (whether of an income or capital nature) deriving from or forming part of the Chargor's Intellectual Property or the Chargor's Real Estate or any property of the Chargor falling within any of the several descriptions at 1.2.2 and 1.2.7 below

together in each case with the benefit of all guarantees, vendor's and other liens, reservations of title, rights of tracing and other securities for payment or performance of any of the several items described in (a), (b) or (c) above;

1.2.2 all shares, stock, debentures, bonds, debenture stock, rights of conversion, rights of subscription and other securities of whatsoever kind issued by any government, state, authority, international organisation, the European Union or any of its organs or agencies or any body corporate or other entity of any kind whatsoever, to which, or to any interest in which, the Chargor now is or at any time hereafter may become entitled;

1.2.3 all the Chargor's existing and future interests of whatsoever kind in:

- (a) any patent, trade mark (registered or unregistered), service mark (registered or unregistered), brand name, registered design, copyright, design right or know how (in each case wheresoever situate and irrespective of whether enjoying legal protection in any part of the United Kingdom or elsewhere); and
- (b) any licence or other right under or in respect of any property of any kind described at (a) above (the "Chargor's Intellectual Property");

1.2.4 the goodwill of the Chargor;

1.2.5 the uncalled capital of the Chargor, both existing (if any) and future and including future calls, whether made by the Chargor's directors or any administrator, receiver or liquidator;

1.2.6 all vehicles and other plant and machinery now or at any time hereafter belonging to the Chargor but exclusive of:

- (a) vehicles and other plant and machinery forming part of the Chargor's stock in trade;
- (b) plant and machinery which as a fixture is subject to a charge under 1.1 above; and
- (c) vehicles and other plant and machinery from time to time situated in Scotland;

1.2.7 all chattels now or at any time hereafter leased, rented, hired out or let by the Chargor to any other person together with the benefit of the relevant lease, rental contract, hire contract or letting agreement and all guarantees and other securities for the performance of obligations under any of the foregoing.

1.3 The Chargor with full title guarantee hereby charges by way of first floating charge and with the payment or other discharge of the Secured Obligations all

the remainder of the Chargor's undertaking, property and assets (including Inventory), whatsoever and wheresoever, present and future, not for the time being effectively charged under clause 1.1 or 1.2 above (the "Floating Charge Property").

2. The Chargor shall not at any time during the continuance of this security and without the prior written consent or agreement of the Chargee:

- (a) (otherwise than in favour of the Chargee pursuant to any provision of these presents) create, extend or permit to subsist any Encumbrance (other than retention of title arrangements arising in the ordinary course of business), whether in any such case ranking in priority to or pari passu with or after the fixed and floating charges constituting this security except for Permitted Encumbrances; or
- (b) sell, 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 any part of the Chargor's undertaking or (save in the normal course of trading) of the Floating Charge Property, or enter into any agreement (otherwise than an agreement conditional upon the consent or agreement of the Chargee being obtained) for any such sale, transfer, lease, loan or other disposal.

3. Definitions:

"Encumbrances" means any mortgage, charge, assignment, pledge, lien or any other encumbrance or security interest of any kind (other than a lien arising in the ordinary course of business by operation of law) or any type of preferential arrangement (including title transfer and retention arrangements) having a similar effect;

"Fixed Assets" means the fixtures and equipment of the Chargor located on the Real Property;

"Insurance Proceeds" means all monies receivable under any such insurance pursuant to the Charge or under any other insurance whatsoever of the Charged Property maintained by the Chargor for its benefit;

"Inventory" means all inventory of the Chargor and all right, title and interest of the Chargor in and to all of its inventory held for sale in the ordinary course of business now owned and hereafter acquired goods, merchandise and other personal property furnished under any contract or service or intended for sale or lease, including without limitation, all raw materials, work-in progress, finished goods and materials and supplies of any kind, nature or description which are used or consumed in the Chargor's business or are or might be used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such goods, merchandise and other licences, warranties, franchises general intangible, personal property all documents of title or documents relating to the same and all proceeds (cash and non-cash) of the foregoing;

"Permitted Encumbrances" means (i) Encumbrances for taxes not yet due and payable or being contested in good faith by appropriate proceedings, and for which adequate provisions have been made on the financial statements of the Chargor, (ii) workers or unemployment compensation liens arising in the ordinary course of business; (iv) zoning ordinances, easements and other restrictions of legal record affecting real property which would be revealed by a survey and would not, individually or in the aggregate interfere with the value or usefulness of such real property; and (v) purchase money security interests;

"Real Property" means all estates and other interests in freehold, leasehold and other immovable property wheresoever situate now or hereafter belonging to the Chargor (including the registered and unregistered land, in any, in England and Wales of which the Chargor is the registered proprietor or owner) and all buildings, trade and other fixtures, fixed plant and machinery from time to time on any such freehold, leasehold and other immovable property.