



LM RESOURCES LIMITED (the 'Company')

Company Number: 03293818

## EXTRACT FROM MINUTES OF EXTRAORDINARY GENERAL MEETING

At an Extraordinary General Meeting of the Company held at 90 High Holborn, London on 17 February 2004 at 9.55 am/pm, the following resolutions were passed as special resolutions:

- (1) THAT the regulations set forth in the document produced to this meeting and for the purposes of identification has been initialed by a director of the Company, be approved and adopted as the articles of association of the Company, in substitution for, and to the exclusion of, the Company's existing articles of association.
- (2) THAT subject to compliance with Sections 155-158 of the Companies Act 1985 (the 'Act'), and notwithstanding the personal interests of the directors of the Company, the terms and arrangements contemplated by the execution, delivery and performance by the Company of the following documents be approved or noted as the case may be:
  - (a) a credit agreement to be entered into between Lloyds TSB Bank Plc (the "**Bank**") (1) and Contender Limited (the "**Purchaser**") (2) relating to a term loan facility of £6,500,000 and a term loan relating to an intellectual property rights development plan of £1,300,000 (together the "**Purchaser's Facility**");
  - (b) a draft committed overdraft facility letter (the "**Group Companies' Facility**") to be entered into between the Bank (1) and the Purchaser, Medusa Communications and Marketing Limited, the Company and Contender Entertainment Limited (together the "**Group Companies**") (2) relating to the provision by the Bank to each of the Group Companies of an overdraft facility in the aggregate sum of £1,500,000;
  - (c) an omnibus guarantee and set-off agreement to be entered into by the Group Companies in favour of the Bank which provides for each of the Group Companies to guarantee all monies and liabilities at any time due, owing or incurred from or by each of the other Group Companies to the Bank, and permits the Bank at any time to combine or consolidate all or any of the Group Companies' bank accounts and transfer all or any sums standing to the credit of such bank accounts in or towards satisfaction of all or any of the Group Companies' liabilities to the Bank;
  - (d) a debenture in favour of the Bank to secure the repayment to the Bank of all monies and liabilities at any time due, owing or incurred by the Company to the Bank constituting a fixed and floating charge over the Company's undertaking and all its property and assets, present and future, including book debts, goodwill,

intellectual property rights, plant and machinery and fixtures and fittings and a first floating charge over the remainder of the Company's undertaking;

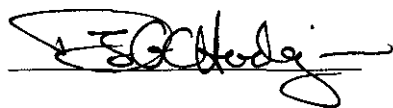
- (e) a draft comfort letter from the Purchaser to the other Group Companies confirming that it will (so far as able, under the terms of the Purchaser's Facility and the Group Companies' Facility) provide sufficient funds to enable the Company to pay its debts as they fall due during the year immediately following the date on which the financial assistance is given;
- (f) a subordination deed in favour of the Bank to be entered into by the Bank (1), the Noteholders (as defined therein) (2) and the Purchaser (3) subordinating, with certain limited exceptions, the Noteholders' (as defined therein) rights under a variable rate convertible loan note issued by the Company to the rights of the Bank under the Purchaser's Facility and the Group Companies' Facility and the security documents as set out in paragraphs 1(c)-(d) above;
- (g) an inter-company loan between the Purchaser (1) and the other Group Companies (2) for a revolving credit facility up to a principal amount of £8,800,000 to enable the Purchaser to repay borrowings incurred by the Purchaser under the Purchaser's Facility and for such other purposes as agreed between the parties;

(together, the above documents are referred to in as the "**Finance Documents**").

**(3) THAT:**

- (a) having inspected the resolutions of the board of directors of the Company of today's date approving the giving of financial assistance under Section 151 of the Act;
- (b) having inspected the statutory declaration made by all the directors of the Company of today's date in the form prescribed by Section 156 of the Act; and
- (c) having inspected the report addressed to the directors of the Company of today's date and prepared by the auditors, Grant Thornton, in accordance with Section 156 of the Act,

the giving of financial assistance under Section 151 of the Act by the Company to the Purchaser for the purposes of acquiring the entire share capital of the Company, is approved to the extent that the execution, delivery and performance by the Company, and where appropriate the noting of the terms of, the Finance Documents to which it is a party constitutes financial assistance within the meaning of Section 152 of the Act.



Chairman