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COMPANIES FORM No. 403a

Declaration of satisfaction in full or in part of mortgage or charge

403a

CHFP025

Please do not
write in
this margin

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

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

To the Registrar of Companies
(Address overleaf)

For official use Company number

1116

610095

* Insert full name
of company

Name of company

* Waterstone's Booksellers Limited (the "Chargor")

I, Elaine Marriner

of 48 Hemsdale, Pinkneys Green, Maidenhead, Berkshire, SL6 6SL

† Delete as
appropriate

~~XXXXXX~~ [the secretary] ~~XX~~ of the above company, do
solemnly and sincerely declare that the debt for which the charge described below was given has been

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

paid or satisfied in (full) ~~(part)~~ †

Date and Description of charge † Security Agreement dated 15 May 2002

Date of Registration § 24 May 2002

Name and address of [chargee] ~~XX~~

The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR (the
"Facility Agent")

§ The date of
registration may
be confirmed
from the
certificate

Short particulars of property charged ø See continuation sheet attached hereto.

ø 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 Windsor, Berkshire Declarant to sign below

Day Month Year

on

1	2	9	4	2	0	0	5
---	---	---	---	---	---	---	---

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

Giles R. Shedden
Solicitor
Charsley Harrison
Windsor House
Victoria Street
Windsor
Berkshire SL4 1EN

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

Simmons & Simmons
CityPoint
One Ropemaker Street
London
EC2Y 9SS

For official use
Mortgage section



LD4
COMPANIES HOUSE
LXGQ04FU
0079
14/04/05

Notes

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

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

Company: Waterstone's Booksellers Limited

Registered Number: 610095

Continuation Sheet 1

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

(A) The Chargor charged:

- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it specified in Schedule 1 to this Form 403a; and
- (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of first fixed equitable charge all estates or interests in any freehold or leasehold property.

(B) The Chargor assigned by way of security all of its rights in respect of any of the contracts or policies of insurance taken out by it or on its behalf or in which it has an interest specified in Schedule 2 to this Form 403a.

(C) The Chargor charged by way of a first fixed charge, all of its rights in respect of:

- (i) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (ii) any copyright or other intellectual property monopoly right; or
- (iii) any interest (including by way of licence) in any of the above,

in each case whether registered or not and including all applications for the same.

(D) The Chargor charged by way of a first legal mortgage all shares in all Obligors incorporated in the United Kingdom owned by it or held by any nominee on its behalf.

(E) The Chargor charged by way of a first floating charge:

- (i) all its assets (other than those situated in Scotland) not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under the Security Agreement; and
- (ii) without exception, the whole of its undertaking and assets present and future insofar as they are situated in Scotland or otherwise governed by or subject to Scots law.

Company: Waterstone's Booksellers Limited

Registered Number: 610095

Continuation Sheet 2

In this Form 403a:

Additional Borrower means a member of the Group which becomes a Borrower after the date of the Credit Agreement.

Additional Guarantor means a member of the Group which becomes a Guarantor after the date of the Credit Agreement.

Borrower means the Company or an Additional Borrower.

Company means HMV Group plc

Credit Agreement means the £425,000,000 credit agreement dated 24 April 2002 made between (among others) HMV Group plc (as borrower) and the Facility Agent.

Group means the Company and its Subsidiaries.

Guarantor means the Company or an Additional Guarantor

Obligor means a Borrower or Guarantor.

Security Agreement means a security agreement dated 15 May 2002 made between (among others) HMV Group plc and the Facility Agent.

Subsidiaries means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and "control" for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

Company: Waterstone's Booksellers Limited

Registered Number: 610095

Continuation Sheet 3

SCHEDULE 1 – SECURITY ASSETS

REAL PROPERTY

1. The leasehold property known as 20-21 St Margaret's Street, Canterbury comprised in title number K695331.
2. The leasehold property known as 2a (Unit 1) The Hayes, Cardiff comprised in title number WA661976.
3. The leasehold property known as 88-90 The Promenade, Cheltenham comprised in title number GR200571.
4. The leasehold properties known as Unit 4, 18/19 Tavern Street and 13-19 Buttermarket, Ipswich comprised in title number SK53699.
5. *The leasehold property known as 189 Kensington High Street, London W8 comprised in title number BGL18293.*
6. The leasehold property known as 191-195 Kensington High Street, London W8 comprised in title number NGL634612.
7. The leasehold property known as 203/206 Piccadilly and 30/32 Jermyn Street, London, W1 comprised in title number NGL778621.
8. The leasehold property known as 231/237 Kensington Church Street and 39/41 Notting Hill Gate, London W11 comprised in title number NGL522007.
9. The leasehold property known as Ground and Basement Floors 1, 3 and 5, Bridlesmith Gate, Nottingham comprised in title number NT232927.
10. The leasehold property known as Unit 2, Leicester Harmsworth House, 65-69 New George Street, Plymouth comprised in title number DN343181.
11. The leasehold property known as 2-6 (even numbers) Hill Street and 2 Red Lion Street, Richmond Upon Thames comprised in title number SGL510079.
12. The leasehold property known as Units WVL16 and WVU1 Lower and Upper Levels, Bluewater West Greenhithe, Kent as more particularly described and comprised in a lease dated 9th July 1999 made between Blueco Limited (1) and Waterstone's Booksellers Limited (2).
13. The Leasehold property known as 33 Lower Mall, Cribbs Causeway, Bristol as more particularly described and comprised in a lease dated 11th May 2001 made between The Prudential Assurance Company Limited (1) and Waterstone's Booksellers Limited (2).

Company: Waterstone's Booksellers Limited

Registered Number: 610095

Continuation Sheet 4

14. The leasehold property known as 11A The Galleries, Bristol as more particularly described and comprised in a lease dated 12th June 1996 made between The Norwich Union Life Insurance Society (1) and Waterstone's Booksellers Limited (2).
15. The leasehold property known a 78-80 St Peter's Street, Derby as more particularly described and comprised in a lease dated 13th October 1994 made between Lunato Estates Establishment (1) and Waterstone's Booksellers Limited (2).
16. The leasehold property known as 68-69 Hampstead High Street, London NW3 as more particularly described and comprised in a lease dated 20th February 1998 made between The Prudential Assurance Company Limited (1) and Waterstone's Booksellers Limited (2).
17. The leasehold property known as 10-12 Islington Green, London as more particularly described and comprised in a lease dated 31st January 1996 made between Fleetplan Limited (1) and Waterstone's Booksellers Limited (2).
18. The leasehold property known as Ground Floor, Unit 1, and First Floor Units 1, 2 and 3 (1 Priorsgate), Warwick Street, Leamington Spa as more particularly described and comprised in a lease dated 25th May 1995 made between Sun Life Assurance Company of Canada (UK) Limited (1) and Waterstone's Booksellers Limited (2).
19. The leasehold property known as 91 Deansgate, Manchester as more particularly described and comprised in a lease dated 29th April 1998 made between The Scottish Life Assurance Company (1) and Waterstone's Booksellers Limited (2).
20. The leasehold property known as 1, 3 and 5 Bridlesmith Gate, Nottingham as more particularly described and comprised in an agreement for lease dated 26th March 1999 made between Armgrade Limited (1), Waterstone's Booksellers Limited (2) and HMV Media Group plc (3).
21. The leasehold property known as Stores A & E Shop Unit 1 and Craft Workshops 2 & 3, Orchard Square, Fargate, Sheffield as more particularly described and comprised in a lease dated 5th February 1997 made between MEPC Developments Limited (1) and Waterstone's Booksellers Limited (2).
22. The leasehold property known as 18-19 High Street, Shrewsbury as more particularly described and comprised in a lease dated 14th July 1988 made between The Manufacturers Life Insurance Company (U.K.) Limited (1), Waterstone's (Regent Street) Limited (2) and Waterstone & Co. Limited (3).

Company: Waterstone's Booksellers Limited

Registered Number: 610095

Continuation Sheet 5

23. The leasehold property known as Unit MSU3, West Quay Shopping Centre, Above Bar, Southampton as more particularly described and comprised in a lease dated 25th October 2001 made between West Quay Shopping Centre Limited (1), Waterstone's Booksellers Limited (2) and HMV Media Group plc (3).
24. All interest in the leasehold property known as Unit 3, 126-138 Camden High Street, London comprised in title number NGL681650.

Company: Waterstone's Booksellers Limited

Registered Number: 610095

Continuation Sheet 6

SCHEDULE 2

INSURANCES

Policy Type	Insured	Insurance Brokers / Insurers
Excess Public and Products/Umbrella Liability Insurance	HMV Group plc and Subsidiary Companies	Heath Lambert Group
Global Commercial "All Risks"	HMV Group plc and Subsidiary Companies	Heath Lambert Group
Collective "All Risks" Material Damage and Business Interruption Master Policy	HMV Group plc and Subsidiary Companies	Royal & Sun Alliance Insurance plc