

M

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

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

insert full name
of company

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

2111

2643552

Name of company

* VIDEO JUKEBOX NETWORK INTERNATIONAL LIMITED ("the Chargor")

Date of creation of the charge

30th June 1995

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

Debenture containing fixed and floating charges
("the Debenture")

Amount secured by the mortgage or charge

See Continuation Sheet No. 1

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

TM/Video International Inc., 3701 Wilshire Boulevard
Suite 700, Los Angeles, California 90010, USA

Postcode

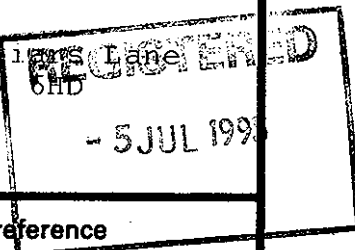
Presenter's name address and
reference (if any):

Rowe & Maw
20 Blackfriars Lane
London EC4V 6HD

Ref: 351

For official Use
Mortgage Section

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

See Continuation Sheet No. 2

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed

Ranve and Man

Date

5th July 1995

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

† 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.
- 5 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ

VIDEO JUKEBOX NETWORK INTERNATIONAL LIMITED

Company No 2643552

Continuation Sheet No 1: Amount secured by the mortgage or charge

[NOTE: The underlined terms are defined in paragraph 2 below or in paragraph 6 on Continuation Sheet No. 2.]

1. Amount secured: Clause 2.2 of the Debenture (definition of "Secured Liabilities")

All moneys, obligations and other actual or contingent liabilities due, owing or incurred by the Chargor to both and either of the Lender and the Agent now or at any time or from time to time under or in connection with the Finance Documents together with interest, commission, fees and charges. Such interest shall be calculated to the date of payment (as well after as before any Demand or judgment) at the rates and upon the terms from time to time agreed with the Lender or the Agent (or in the absence of agreement on a daily basis at the Interest Rate and to be compounded quarterly).

2. Definitions: Clause 1 of the Debenture, the Intercreditor Agreement and Sections 2.6 and 3.2 of the Loan Agreement

In the Debenture and in these particulars, any reference to the Lender or the Chargor respectively includes its successors in title and assigns and:

"Agent" means Atlantic American Capital Corporation, a Florida corporation

"Demand" means any demand by the Lender or the Agent pursuant to Clause 2.1 of the Debenture

"Finance Documents" means all or any of the Loan Agreement, the Security Documents, this security and any other document referred to or entered into in connection with any of the same

"Intercreditor Agreement" means the intercreditor agreement of the same date as the Debenture made between the Lender, Video Jukebox Network Inc., the Chargor and the Agent

"Interest Rate" means the rate per annum equal to the prime rate as quoted by the New York, New York, branch of NatWest Bank N.A. from time to time plus 1% compounded quarterly plus 4%

"Loan Agreement" means the secured loan agreement made and entered into on the same date as the Debenture between the Lender and the Chargor

"Security Documents" means the Debenture

"this security" means the Debenture and the security created by, pursuant to or supplemental to it

VIDEO JUKEBOX NETWORK INTERNATIONAL LIMITED

Company No 2643552

Continuation Sheet No 2 : Short particulars of all the property mortgaged or charged

[NOTE: The underlined terms are defined in paragraph 6 below or in paragraph 2 on Continuation Sheet No. 1.]

1. Charges and Assignments: In Paragraph 1 of Schedule 1 to the Debenture

1.1 In the Debenture the Chargor charges:

- (a) (i) by way of first fixed legal mortgage all rights, estates and interests of the Chargor (both present and future) in the Land; and
- (ii) by way of first fixed charge all rights, estates and interests of the Chargor (both present and future) in all freehold or leasehold property (other than properties referred to in Paragraph 1.1 (a) (i) of Schedule 1 to the Debenture (and described in paragraph 1.1(a)(i) above))

in each case together with all buildings, structures, erections, fixtures and fittings (including trade fixtures and fittings) from time to time on any such property and the benefit of (including without limitation the right to receive rents and other moneys under) all existing and future leases, underleases, tenancies and agreements relating to any such property;

(b) by way of first fixed charge:

- (i) all plant, machinery, vehicles, equipment and other chattels owned by the Chargor (and the Chargor's rights in any such items leased, hired or rented to it by any other person) both present and future together with any spare parts, fuel and tools of the Chargor relating to the same (but excluding stock-in-trade of the Chargor) (all such items together "the mortgaged chattels") together with the benefit of (including without limitation the right to receive rents and other moneys under) all existing and future leases, underleases, tenancies,

agreements and warranties relating to any such asset;

- (ii) all goodwill of the Chargor (both present and future), including but not limited to, any rights of the Chargor (both present and future) in the goodwill of any business carried on at or through the Properties;
- (iii) all rights of the Chargor to the proceeds of any insurances (both present and future), including but not limited to the proceeds of any insurance over or relating to the Properties;
- (iv) all uncalled capital of the Chargor (both present and future) and the rights to future calls in respect of such capital;
- (v) all book and other debts, revenues and claims due, owing or payable to the Chargor (both present and future) wheresoever situate whether originally owing to the Chargor or purchased or otherwise acquired by it and the benefit of all rights relating thereto, including but not limited to:
 - (1) all insurance policies of the Chargor and all things in action which may give rise to a debt, revenue or claim, including (without limitation) any debt, revenue or claim which may arise under any contracts entered into by the Chargor in the course of its business, and
 - (2) any deposit in or credit balance on bank accounts of or held for the Chargor, whether alone or jointly with any other person
 - (3) any amounts realised pursuant to an order of the court under Sections 238, 239 or 244 of the Insolvency Act 1986,

together with the benefit of negotiable or non-negotiable instruments, guarantees, indemnities, Security Interests, and rights of tracing in respect of any such debt, revenue or claim and any other rights entitling the Chargor to recover or enforce payment of any such debt, revenue or claim;

- (vi) all stocks, shares, bonds and other securities of any kind and all other

interests of the Chargor both present and future in any company, firm, consortium, joint venture or entity including all allotments, accretions, offices, rights or options, benefits and advantages whatsoever at any time accruing, offered or arising (including without limitation any dividends or other distributions declared) in respect of or incidental to the same and all stocks, shares, bonds, securities, rights, money or property accruing thereto or offered at any time by way of conversion, redemption, bonus, preference, option or otherwise in respect thereof; and

(vii) all of the Chargor's present and future patents, patent applications, trade and service marks, trade names, registered designs, confidential information and copyrights (including those in computer software) and all other interests of the Chargor both present and future in respect of or incidental to the same and all licences and ancillary and connected rights relating to the intangible property both present and future of the Chargor (including, without limitation, all and any of the Chargor's present and future rights, title and interest in the Specified IP); and

(c) by way of first floating charge all of the undertaking, property, rights and other assets of any kind of the Chargor (both present and future) not referred to in Paragraphs 1.1(a) to (c) of Schedule 1 to the Debenture (or described in paragraphs 1.1(a) and (b) above or 1.2(a) below).

1.2 In the Debenture the Chargor assigns to the Lender by way of security:

(a) the present and future benefit of (including without limitation the right to receive rents and other moneys under) all present and future Derivative Leases and other agreements and documents relating to all or any part of the Properties (other than the Licences as to which see Paragraph 1.2 of Schedule 1 to the Debenture (paragraphs 1.2(b) and 3.1 below)) and the proceeds of any sale or other disposal of the Security Assets;

(b) all rights which it has both present and future in and relating to the Licences including (without limitation) the right to give instructions under them and the benefit (but not subject to the burden) of all provisions (express or implied) on

the part of any party to them, the right to receive moneys under them and all other powers and rights under them.

2. Further provisions in Paragraph 1.3 and 1.4 of Schedule 1 to the Debenture regarding the floating charge referred to in Paragraph 1.1(d) of Schedule 1 to the Debenture

2.1 The Debenture provides that the floating charge referred to in Paragraph 1.1(d) of Schedule 1 to the Debenture (and described in paragraph 1.1(c) above) shall automatically (without any notice to the Chargor being required) operate as a fixed charge immediately if:

- (a) the Chargor (without the prior consent in writing of the Lender) creates a Security Interest over any of the Security Assets referred to in Paragraph 1.1(d) of Schedule 1 to the Debenture (and described in paragraph 1.1 (c) above) or attempts to do so; or
- (b) a receiver is appointed over any of those Security Assets or any person threatens or attempts to levy any distress, execution, sequestration or other process against any of the same.

Nothing in Paragraph 1.3 of Schedule 1 to the Debenture (this paragraph 2) shall affect crystallisation of the floating charge under the general law.

2.2 The Lender may at any time by notice to the Chargor convert the floating charge referred to in Paragraph 1.1 (d) of Schedule 1 to the Debenture (and described in paragraph 1.1(c) above) into a fixed charge in respect of all of the Security Assets referred to in that Paragraph or any part of them as may be specified or referred to in the notice.

3. Negative Pledges and Covenants in Paragraphs 1.2.2 and 1.2.3 of Schedule 1 to the Debenture and Paragraphs 1 and 2 of Schedule 2 to the Debenture

3.1 Covenants in relation to the Licenses in Paragraphs 1.2.2. and 1.2.3 of Schedule 1 to the Debenture

In the Debenture the Chargor covenants:

- (a) that it will not without the prior written consent of the Lender vary, rescind, waive any rights or agree to terminate the Licenses;
- (b) if the Lender so requests at any time, to enter into a legal assignment or assignments of the Licenses in favour of the Lender, satisfying the requirements of Section 136 of the LPA and in such form as the Lender may reasonably require.

3.2 Covenants in Paragraphs 1 and 2 of Schedule 2 to the Debenture

In the Debenture the Chargor covenants that it shall not without the prior written consent of the Lender:

- (a) sell or agree to sell or otherwise dispose of any interest it has in the Security Assets (except that the Chargor may without such consent sell any of its stock-in-trade charged by way of floating charge only, if that sale is for full market value and in the usual course of the Chargor's trading as now conducted);
- (b) grant, agree to grant or permit to continue any Derivative Lease of or licence with respect to the Security Assets, part with or share the possession or occupation of the same or permit or suffer any such parting or sharing to continue;
- (c) create (or permit to continue or to be created) any Security Interest over the Security Assets other than this security and any liens arising by operation of law in the ordinary course of trading;
- (d) otherwise deal in any way with the Security Assets (other than in the ordinary course of business at arm's length on commercial terms) or enter into any onerous or restrictive obligations affecting the same;
- (e) surrender or determine or agree to the determination, surrender or termination of any lease forming part of the Security Assets;
- (f) determine or forfeit (or commence any proceedings for forfeiture of) any Derivative Lease, agree to its determination or assignment or accept its surrender;
- (g) vary, amend or agree to vary or amend the terms of any lease comprised in the Security Assets or any Derivative Lease.

4. Further assurance covenant in Paragraph 12 of Schedule 2 to the Debenture

In the Debenture, the Chargor covenants that it shall at its own expense execute and do (and ensure that its nominees execute and do) all such assurances, acts and things as the Lender may require from time to time for perfecting or protecting the Lender's security over the Security Assets or for facilitating the realisation of such property and the exercise of all powers, authorities and discretions vested by this security in the Lender or in any Receiver. In particular (but without limitation), the Chargor shall (and shall ensure that its nominees

shall) promptly execute all transfers, conveyances, assignments, assurances and legal mortgages of the Security Assets as, in such form and to such person as the Lender may require from time to time.

5. Provisions in relation to Book Debts in Paragraph 13 of Schedule 2 to the Debenture

- 5.1 In the Debenture, the Chargor covenants that it shall pay into a current account or a separate designated account (as the Lender may require) of the Chargor ("the Designated Account") with National Westminster Bank plc all moneys which it may receive in respect of the Book Debts and shall deal with the Book Debts only in the ordinary course of getting in and realising the same and hold the proceeds thereof (until payment into such Designated Account) upon trust for the Lender and shall pay or otherwise deal with such moneys standing in such Designated Account in accordance with any directions from time to time given in writing by the Lender; the Chargor shall give notice to or permit the Lender to give notice to such bank of this security prior to any notice being given under Paragraph 1.4 of Schedule 1 to the Debenture (as described in paragraph 2.2 above) or to the provisions of Paragraph 1.2 of Schedule 1 to the Debenture (paragraphs 1.2(b) and 3.1 above) becoming operative in the absence of any directions from the Lender any moneys received by the Chargor and paid into such account in respect of the Book Debts shall upon such payment in stand released from the fixed charge on the Book Debts created by the Debenture and shall stand subject to the floating charge created by this security over the other property and assets of the Chargor; and such release shall in no respects derogate from the subsistence and continuance of the said fixed charge on all other Book Debts of the Chargor for the time being outstanding.
- 5.2 The Chargor shall if called upon by the Lender to do so at any time execute legal assignments of all or any of the Book Debts to the Lender and give notice of such assignment to the relevant debtor(s), each such assignment and notice to be in such form as the Lender may require.
- 5.3 The Chargor shall permit its bankers to furnish directly to the Lender from time to time upon request full statements and particulars of all the Chargor's accounts with them and such other financial statements and information in relation to the assets and liabilities of the Chargor as are from time to time available to them.
- 5.4 The Chargor shall not without the prior written consent of the Lender sell, charge, assign, factor or discount any of the Book Debts or any securities in respect of the Book Debts in favour of any other person or effect or permit any release, exchange, compounding or set-off in respect of the same or withdraw any of the same from the Designated Account.

6. Definitions: Clause 1.1 of the Debenture

"Book Debts" means the book debts and other matters and things described in Paragraph 1.1(c)(v) of Schedule 1 to the Debenture (paragraph 1.1(b)(v) above)

"Derivative Lease" means any lease, underlease or tenancy subsisting or created (whether by the Chargor or otherwise) directly or indirectly out of any interest of the Chargor in any of the Security Assets

"Land" means the premises forming part of a building known as Imperial House, 11/13 Young Street, Kensington, London W8 more particularly described (in respect of the first floor) in a lease dated 8th February 1995 between (1) Archly Corporation N.V. and (2) the Chargor and (in respect of the second floor) in an underlease dated 3rd January 1994 between (1) Office Angels Limited and (2) the Chargor

"Licences" means both or either of the licence agreement of the same date as the Debenture made between Video Jukebox Network Inc. and the Chargor and a licence dated 11th February 1992 granted by the Independent Television Commission in favour of the Chargor

"LPA" means the Law of Property Act 1925

"Properties" means all or any part of the properties and other assets described in Paragraph 1.1(a) of Schedule 1 to the Debenture (paragraph 1.1(a) above) and "Property" shall be construed accordingly

"Receiver" means any one or more persons appointed in writing by the Lender or the Agent (signed by a manager or more senior officer of the Lender or the Agent as appropriate) to be an administrative receiver or a receiver and/or manager of the whole or any part of the Security Assets

"Security Assets" means all or any part of the property, revenue, assets, business, undertakings and rights from time to time the subject of this security and "Security Asset" shall be construed accordingly

"Security Interest" means any debenture, mortgage, charge, pledge, lien, assignment, hypothecation, right of set-off, title retention or other arrangement or agreement the effect of which is the creation of security

"Specified IP" means all or any part of the property, assets and rights (including trade names, service marks, trade marks, copyrights and trade secrets) subject to the licence agreement made between the Video Jukebox Network Inc. and the Chargor referred to in the definition of Licences

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02643552

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 30th JUNE 1995 AND CREATED BY VIDEO JUKEBOX NETWORK INTERNATIONAL LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO TM/VIDEO INTERNATIONAL INC. PURSUANT TO THE TERMS OF THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 5th JULY 1995.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th JULY 1995.

R.L. ADAMS

for the Registrar of Companies



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

HC026B

7/7/95