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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

Name of company

27

2803116

* WINCHESTER PICTURES LIMITED ("the Chargor")

Date of creation of the charge

7 October 1994

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

Legal Charge (Fixed and Floating Charge)

Amount secured by the mortgage or charge

US\$8,080,644 (Eight Million and Eighty Thousand Six Hundred and Forty-Four US Dollars) together with interest thereon and all other sums from time to time owing to the Chargee under a Loan Agreement dated 7 October 1994 entered into between the Chargor and the Chargee ("the Loan Agreement")

27/10
B. US\$ 8,080,644

re. the Company and/or all or any of the other companies named therein.

re.

T. A Loan Agreement dated 7th October 1994.

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

Berliner Bank AG (London Branch) of Berliner House, 81-82 Gracechurch

Street, London

Postcode

EC3V 0DS

Presentor's name address and
reference (if any);

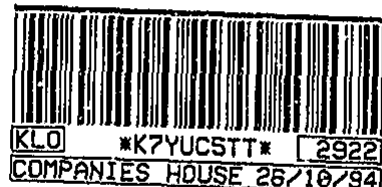
S J Berwin & Co
222 Grays Inn Road
London WC1X 8HB
Ref: 330/B5668.28/CM:18706.1

DX: 255 London

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1 All of the Chargor's right, title and interest in and to the following in relation to the film "Rainbow" ("the Film") throughout the World:

(i) all preprint elements capable of producing prints or additional preprint elements including master negatives, negatives, duplicate negatives, colour reversal intermediates, colour separations, matrices, interpositives and internegatives;

(ii) all positive prints, film, video tapes, discs, cut-outs and trims and all other physical properties of or relating to the Film, whether now or hereafter in existence and wherever located;

(iii) all soundtrack elements including master magnetic tracks or other optical sound track recordings and music cue sheets;

(iv) all literary property and ancillary rights in relation to the Film, including without limitation the Screenplay, the underlying literary property, if any, and the copyrights thereof;

(v) the copyright of the Film;

continued....

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Particulars as to commission allowance or discount (note 3)

N/A

Signed

S. J. Bennett & Co.

Date

25 October 1994

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.)

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

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

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Please complete
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Company Number

2803116

Name of Company

WINCHESTER PICTURES LIMITED ("the Chargor")

~~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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bold block lettering

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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 black lettering

(vi) the music and musical compositions of the Film including the lyrics and all rights to exploit the same and to produce publish reproduce and synchronise all or any of the same;

(vii) all rights to distribute, lease, license, sell, exhibit, broadcast or otherwise deal with the Film by all methods and means and in all media throughout the universe;

(viii) all contracts and contract rights, agreements for personal services, book debts and all personal property of the Chargor relating to the Film or to any literary property and ancillary rights and any other elements of the Film referred to in this sub-paragraph;

(ix) all sequels, remakes and television serial rights in the Film;

(x) all ancillary publishing spin-off and merchandising rights of every kind and nature in the Film, including but not limited to novelisation and publishing rights and commercial tie-ups and sponsorships;

(xi) all other rights and properties acquired or to be acquired by the Chargor in connection with the Film;

(xii) all the Chargor's rights interests and benefits in and to the Co Production Agreement, the Sales Agency Agreement and the Distribution Agreements together with the benefit of the proceeds thereof;

(xiii) all sums standing to the credit of the Production Account and the Collection Account; and

(xiv) the benefit of the Writer's Agreement between it and Robert and Ashley Sidaway

(hereinafter referred to as "the Charged Assets").

2 The Chargor by way of continuing security for the Debt additionally charged to the Chargee by way of floating charge all the undertaking, but not limited to the stock in trade and cash in the bank or otherwise now or at any time during the continuance of this Charge belonging to the Chargor.

Note:

(a) The Chargor has covenanted with the Chargee that:

(i) the Chargor shall not without the Chargee's prior consent create or permit to arise or to subsist any encumbrance charge or pledge upon the whole or any part of the Charged Assets other than the Completion Guarantor's Charge;

(ii) notwithstanding anything contained in the Charge, if the Chargor charges pledges or otherwise encumbers any of the Charged Assets the charges created in this Charge in favour of the Chargee shall rank in priority to such other charges pledges or encumbrances whether they be fixed floating or otherwise;

(iii) the Chargor agrees not to part with, sell or dispose of the whole or part of their said undertaking and assets (except by way of sale in the ordinary course of their business and for the purpose of carrying on the same and without prejudice to the above mentioned legal mortgage and assignments) or any part thereof as referred to in paragraph 2 above.

All capitalised expressions not otherwise defined herein shall bear the meanings ascribed to them in the Loan Agreement.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02803116

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LEGAL CHARGE DATED THE 7th OCTOBER 1994 AND CREATED BY WINCHESTER PICTURES LIMITED FOR SECURING U.S. \$ 8,080,644 AND ALL OTHER MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OTHER COMPANIES NAMED THEREIN TO BERLINER BANK AG (LONDON BRANCH) UNDER THE TERMS OF A LOAN AGREEMENT DATED 7th OCTOBER 1994 WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 26th OCTOBER 1994.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28th OCTOBER 1994.

A handwritten signature in dark ink, appearing to read 'Paul Davies'.

PAUL DAVIES

for the Registrar of Companies



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

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