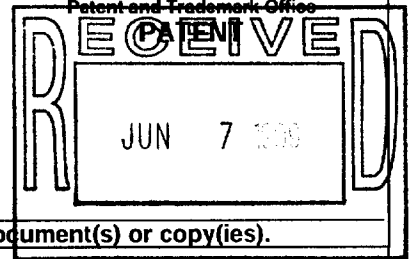


06-11-1999



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RECORDATION FORM COVER SHEET
PATENTS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID#
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☐ Assignment ☒ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☐ Other
- U.S. Government**
(For Use ONLY by U.S. Government Agencies)
- ☐ Departmental File ☐ Secret File

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Name (line 1) Touchtunes Music Corporation (f/k/a Technical Maintenance Corp) Execution Date Month Day Year 4 19 99

Name (line 2) a Nevada corporation

Second Party

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Receiving Party

☐ Mark if additional names of receiving parties attached

Name (line 1) National Bank of Canada

Name (line 2) a Canadian chartered bank

Address (line 1) 600 de La Gauchetiere Street West

Address (line 2)

Address (line 3) Montreal

City

Quebec, Canada

State/Country

H3B4L2

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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06/10/1999 DNGUYEN 00000272 08817690

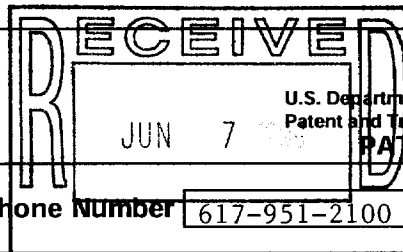
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REEL: 010009 FRAME: 0662

U.S. Department of Commerce
Patent and Trademark Office

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Correspondent Name and Address

Area Code and Telephone Number 617-951-2100

Name Jennifer Post, Esq.

Address (line 1) c/o Peabody & Arnold

Address (line 2) 50 Rowes Wharf

Address (line 3) Boston, MA 02110

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document
including any attachments.

#

Application Number(s) or Patent Number(s)



Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

08817690

08817968

08817438

08817689

08817437

08817826

08817528

08817426

09161584

Patent Number(s)

0914440

09253734

If this document is being filed together with a new Patent Application, enter the date the patent application was
signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number
only if a U.S. Application Number
has not been assigned.

PCT

PCT

PCT

PCT

PCT

PCT

Number of Properties

Enter the total number of properties involved.

#

11

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 440.00

Method of Payment:

Deposit Account

Enclosed ☒Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any
attached copy is a true copy of the original document. Charges to deposit account are authorized, as
indicated herein.

Jennifer Post, Esq.

Name of Person Signing

Signature

6/3/99

Date

COPY

MOVABLE HYPOTHEC made as of the nineteen (19th) day of April, nineteen hundred and ninety-nine (1999).

BETWEEN:

NATIONAL BANK OF CANADA, a chartered bank duly constituted and governed by the *Bank Act* (Canada) (S.C. 1991, c. 46), having its head office at 600 de La Gauchetière Street West, in the City of Montreal, Province of Quebec (H3B 4L2), herein acting and represented by Mr. Éric St-Louis, its Account Manager, Technology Group, duly authorized as he so declares, a notice of address being published at the Register of Personal and Movable Real Rights under the number 000063;

(hereinafter referred to as the "**Lender**"),

AND:

TOUCHTUNES MUSIC CORPORATION (formerly known as **TECHNICAL MAINTENANCE CORPORATION**, a corporation duly incorporated under the laws of the State of Nevada, United States of America, having its head office and principal place of business at 1800 East Sahara, Suite 107, in the city of Las Vegas, State of Nevada, 89104, United States of America, herein acting and represented by Mr. Tony Mastronardi, its President, duly authorized for the purposes hereof in virtue of a resolution of the Board of Directors of the Corporation, a certified copy of said resolution being annexed hereto;

(hereinafter referred to as the "**Guarantor**").

WHEREAS the Lender has granted to Juke-Box Numerique TouchTunes Inc./TouchTunes Digital Jukebox Inc. (hereinafter referred to as the "**Borrower**") several loans and advances in virtue of the Offer of Financing executed by the Lender on the twenty-second (22nd) day of February, nineteen hundred and ninety-nine (1999) and accepted by the Borrower on the third (3rd) day of March, nineteen hundred and ninety-nine (1999) regarding *inter alia*, several term loans in the amount of Ten Million and Four Hundred Thousand American Dollars (US \$ 10,400,000) at an interest rate of two and fifty-five hundredths percent (2.55%) per annum, variable, above the Lender US Base Rate, in order to finance up to eighty percent (80%) of the acquisition cost (before taxes) of new jukeboxes (Genesis MI-04) from Bose Corporation which are covered by Partner Lease Agreements of at least five (5) years between Touchtune Music Corporation, as lessor, and the jukeboxes' operators, as lessee: the total amount of all term loans and the outstanding capital amount of those loans shall never exceed forty percent (40%) of the total of the minimum lease amount due and owing to the Guarantor by the Operators for the full terms of the Partner Lease Agreements, that are in effect and in full force, excluding any and all Partner



Lease Agreements, which are, in the opinion of the Lender of doubtful quality (Facility "F") (hereinafter referred to as the "**Financing Agreement**");

WHEREAS the Guarantor, as personal guarantee, has entered into a Deed of Guarantee (hereinafter referred to as the "**Guarantee**") on the nineteen (19th) day of April, nineteen hundred and ninety-nine (1999) between the Lender and the Borrower in order to bind and oblige itself and guarantee severally the payment to the Lender, with the delays prescribed in the Financing Agreement and the security agreements thereof related, all debts and obligations of the Borrower, present and future, direct or indirect, conditional or not, due or not, incurred by the Borrower pursuant to the Facility "F" of the Financing Agreement including any costs and fees incurred by the Lender to recover or attempt to recover said debts and obligations as well as any interest thereupon at the same interest rate specified in the Financing Agreement, up to an amount of Ten Million and Four Hundred Thousand American Dollars (US \$ 10,400,000).

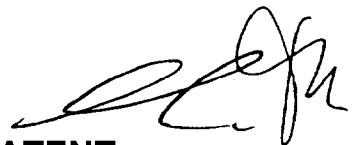
WHEREAS the movable hypothec or security interest created in virtue of this Agreement is in addition to and not in substitution of any other movable hypothec or security interest granted by the Guarantor to the Lender.

WHEREAS as additional collateral security for the performance by the Guarantor of all of its obligations towards the Lender under the terms and conditions of the Guarantee (hereinafter referred to as the "**Obligations**"), including, without limitation, for the due and punctual payment of any and all amounts now and hereafter owing by the Guarantor to the Lender in virtue of the Facility "F" of the Financing Agreement and the performance of all its Obligations under the terms and conditions of this Agreement and the Guarantee, the Guarantor has agreed to execute this movable hypothec agreement in favour of the Lender.

NOW THEREFORE, IN CONSIDERATION of the promises and respective covenants hereinafter contained and for other valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereto have agreed as follows:

1. **MOVABLE HYPOTHEC**

- 1.1 As additional general and continuing security for the performance of all of the Obligations of the Guarantor towards the Lender, as personal guarantee, under the terms and conditions of the Guarantee and any other future guarantee granted by the Guarantor to the Lender, any other security agreement and this Agreement covering, in particular, the loans and monies borrowed or effectively obtained from the Lender by the Borrower in virtue of the Facility "F" of the Financing Agreement as well as the payment of all interest thereon, fees and accessories, and the performance of all its obligations towards the Lender as set out in the Financing Agreement and in this Agreement, as the case may be, the Guarantor hereby hypothecates in favour of the Lender with effect as and from this date, to the extent of the principal amount of Ten Million and Four Hundred Thousand



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American Dollars (US. \$ 10,400,000). with interest thereon at the rate of twenty-five percent (25%) per annum, calculated semi-annually and not in advance, the universality of the Guarantor's present and future movable property, corporeal and incorporeal, relating to the business of the Guarantor, including, without limitation, specific property and present and future property forming part of the universalities hereinafter described, as well as those acquired in replacement thereof and the fruits, proceeds and revenues therefrom (all of which being hereinafter collectively called the "**Secured Property**"), namely:

For greater certainty, it is understood and agreed between the parties that the movable hypothec granted hereby by the Guarantor to the Lender, does secure the Obligations of the Guarantor in relation to the Guarantee and any future guarantee granted by the Guarantor to the Lender.

DESCRIPTION

1.1.1 Universalities of Property

The following universalities of property, namely:

1.1.1.1 Debts, Rights and Claims

The universality of all present and future claims owing to the Guarantor including any debts, book debts, accounts, client accounts, claims, judgments, demands, income, abatements, remissions, cash balances, money deposits and, without limitation, any amounts deposited or remitted by the Guarantor to the Lender in virtue of the Facility "F" of the Financing Agreement, in any bank account or any amount of whatever nature (including, without limitation, any claims against the Crown and claims under any insurance policy of whatever nature and any claims against the operators, as lessees, under the Partner Lease Agreements) which may, at any time hereafter, be owed or might be owed in the future to the Guarantor, as well as the fruits and revenues therefrom including those acquired in replacement thereof as well as any proceeds from the sale thereof or any part thereof, pertaining or relating, directly or indirectly, to the business operated by the Guarantor and also all judgments, hypothecs, suretyships, security and other rights in connection thereto as well as all contracts, securities, bills, notes, policies and other documents now held or owned or which may be hereafter taken, held or owned by the Guarantor in respect of said debts, book debts, accounts, client accounts, claims, judgments, demands, income, abatements, remissions, cash balances, money deposits or any part thereof and also all books,



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documents, records, electronic or otherwise, and paper recordings evidencing or relating to said debts, book debts, accounts, client accounts, claims, judgments, demands, income, abatements, remissions, cash balances, money deposits (all of which being hereinafter collectively called the "Claims").

1.1.1.2 Equipment

The universality of all existing and future machinery, equipment, professional equipment, jukeboxes, materials and vehicles, owned by the Guarantor, and their accessories, additions and spare parts, present and future as well as all books, directions of use, maintenance manuals, files, logbooks, documents, whether electronic or not, regarding said machinery, equipment, professional equipment, materials and vehicles, present or future, including all books, directions of use, maintenance manuals, files, logbooks, documents pertaining to any of their accessories, additions and spare parts.

1.1.1.3 Goods in Stock

The universality of all existing and future goods in stock owned by the Guarantor, including movable property held for the purpose of being sold, rented or altered by means of transformation or manufacturing process of a good destined for sale or for rent or with respect to services offered, or goods held by third parties with respect to a rental agreement, leasing contract, Partner Lease Agreement, franchise contract or licence or other agreement executed with the Guarantor, regarding raw materials, jukeboxes, manufactured or semi-manufactured or treated materials or products, or goods used for packaging. Goods that were part of any goods in stock which, pursuant to an alienation contract executed with respect thereto for the benefit of a third party, shall remain the property of the Guarantor pursuant to a reservation of ownership in its favour, and shall be deemed to be goods in stock as long as the ownership thereof is not transferred to such third parties; are also deemed to be goods in stock, goods which, after having been alienated, have again become the property of the Guarantor as a result of a resolution, termination or repossession.



1.1.1.4 Securities

The universality of all existing and future notes, titles of claims, obligations, shares and any other securities held by the Guarantor including any renewal, substitution and addition or other property or securities issued or received upon the purchase, repurchase, conversion or cancellation or upon any other transformation of the said securities.

1.1.1.5 Intellectual Property

The universality of all existing and future intellectual property rights, including, as the case may be, any patents and patent applications, copyrights, including in any software, drawings and manuals, trademarks, registered or not, including any goodwill, confidential information, third party licences, usage licences, Partner Lease Agreements, as well as any permits or any other rights which the Guarantor possesses or later acquires, relating directly or indirectly thereto including, without limitation, any right as more fully described in Schedules "A", "B" and "C", as the case may be, attached hereto to form an integral part hereof (hereinafter sometimes collectively called the "**Intellectual Property**").

1.1.1.6 Contractual Rights

All rights, title and interests of the Guarantor, present or future, in any contract, lease, offer to lease, agreements, Partner Lease Agreements, supply contracts and in any other document pertaining to the business and operations of the Guarantor.

1.1.1.7 Other Property

Without limiting the generality of the foregoing, the following existing and future property (the "**Other Property**"), to the extent that they are not already included in the foregoing descriptions, and which are also affected by the hypothec and the other rights constituted hereunder:

- (a) all claims, effects or sums of money from the rental, sale or other disposition of the Secured Property, as the case may be, as well as any property acquired in replacement thereof (it being understood that this provision shall not be interpreted as allowing the Guarantor to dispose of or



charge the Secured Property in violation of the other provisions hereof or of the Financing Agreement);

- (b) all insurance and expropriation rights or indemnities pertaining directly or indirectly to the Secured Property;
- (c) all other rights relating directly or indirectly to the Secured Property as well as the fruits, proceeds and revenues generated thereby;
- (d) all titles, registers, invoices, contracts, securities and other documents which the Guarantor shall receive or have the right to receive evidencing or relating directly or indirectly to the Secured Property, whatever the nature of their support or medium and whatever their form;
- (e) all claims, effects or sums of money from the sale or other alienation of permits, franchises, quotas or other similar authorizations which the Guarantor now possesses or may possess in the future;
- (f) all lease amount due or owing to the Guarantor, under the Partner Lease Agreements as well as any income received from successful infringement litigation or in settlement of such actions and any other streams of income relating directly or indirectly to the Secured Property.

1.2 Extent of the Hypothec

If numbers or quantities are mentioned in the foregoing descriptions, they must be considered as indicative of the property owned by the Guarantor on the date hereof and must not be interpreted as limiting the extent of the hypothecs. If one or more addresses are mentioned, they must be considered as indicative of the place where the assets are located as of the date hereof, and this indication must not be interpreted such that the Lender loses any rights if the Secured Property is relocated, nor as restricting the extent of the hypothec in respect of the universality or universalities of property mentioned in the said descriptions, the hypothec charging all the present and future property forming part of that or those universalities, whether they are situated at such addresses or elsewhere.



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1.3 Additional Hypothec

Should the Lender so require, the Guarantor undertakes to grant to the Lender any additional hypothec which the Lender deems reasonable to specifically charge the future property or property acquired in replacement of the Secured Property or to maintain the value of the security granted hereunder.

1.4 Continuous Security

The hypothec and other charges created in virtue of this Agreement shall take effect as of the date hereof, in order to guarantee all the Obligations of the Guarantor towards the Lender in connection with the Guarantee and, in particular, the repayment of all the sums which may have been advanced or which may be advanced by the Lender to the Borrower in connection with the Facility "F" of the Financing Agreement.

The Guarantor further agrees with the Lender that the hypothec and the other security created hereunder shall subsist until the payment in full of any monies due to the Lender by the Borrower or the Guarantor under the terms of Facility "F" of the Financing Agreement and any renewal, replacement, modification, addition or substitution thereof and in order to guarantee any other obligations of the Guarantor, present or future, towards the Lender, in relation to the Facility "F" of the Financing Agreement or the Guarantee for the Guarantor and in any event that the Borrower and/or the Guarantor should enter into new agreements towards the Lender relating to the Financing Agreement and to the Guarantee and any other security created hereunder, the Financing Agreement and the Guarantee and the security will subsist and guarantee all Obligations of the Guarantor and the Borrower towards the Lender, including the Guarantee and/or the Facility "F" of the Financing Agreement or any of its renewal, replacement, modification, addition or substitution thereof, and each of said new agreement of the Borrower and/or the Guarantor, until total and final cancellation of the hypothec and the other rights granted hereunder.

1.5 Renewal and Conservation

The Guarantor undertakes to execute without delay, at the request of the Lender, any notice of renewal or conservation of the present hypothec as well as any other deed or document in order that the hypothec and the other rights constituted in virtue of this Agreement have full effect and remain at all times opposable to third persons.

A handwritten signature in black ink, consisting of a stylized 'P' followed by a series of loops and a final vertical stroke.

2. **ADDITIONAL HYPOTHEC**

To secure the payment of all sums payable to the Lender under any provisions of the Facility "F" of the Financing Agreement or this Agreement as well as same to the Lender by the Guarantor under any provision of the Guarantee or this Agreement and which are not secured by the other hypothecs created herein, including without limitation, the interest, costs, expenses and accessories relating to the Facility "F" of the Financing Agreement and/or the Guarantee, all expenses and fees incurred by the Lender in order to protect or realize upon its rights and the performance of all Obligations herein set forth and in the Guarantee, with interest on all such amounts from the date of disbursement at the annual rate herein stipulated, the Guarantor hypothecates the Secured Property in favour of the Lender for a further additional sum of Two Million and Eighty Thousand American Dollars (US \$ 2,080,000) with interest thereon at the rate mentioned above in Article 1 hereof.

3. **SPECIAL PROVISIONS WITH RESPECT TO
THE CLAIMS AND THE OTHER PROPERTY**

- 3.1 Until notice to the contrary, the Lender hereby authorizes the Guarantor to collect the Claims and the Other Property and the Guarantor undertakes to act with diligence and in accordance, as the case may be, with the instructions of the Lender. The Guarantor shall use the amounts collected for repayment of the Facility "F" of the Financing Agreement, in accordance with terms agreed upon with the Lender, and may use any excess amount to pursue its business activities.
- 3.2 Upon the occurrence of an Event of Default (as hereinafter defined) by the Guarantor, the Lender may withdraw its authorization for the Guarantor to collect the Claims and the Other Property. The Lender shall inform the Guarantor and all debtors of the Claims and the Other Property of such withdrawal by means of the notice required by law and duly registered. The debtors of all Claims and the Other Property shall comply with the notice received from the Lender and thereafter shall pay all Claims and the Other Property to the Lender without inquiry into the state of accounts between the Lender and the Guarantor. The Lender may then, but shall not be obliged to, collect the Claims and the Other Property in capital and interest. The Guarantor shall grant open access to its premises, remit to the Lender all titles, documents or effects evidencing the Claims and the Other Property or which might be necessary or useful for the collection or recovery thereof and shall sign all documents necessary or useful for such purpose and collaborate, as the case may be, in the collection or recovery of the Claims and the Other Property.
- 3.3 Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, the Lender is irrevocably authorized, as the Guarantor's mandatary, to:
- 3.3.1 grant delays, take or abandon securities;



- 3.3.2 grant acquittances, mainlevées, with or without consideration, and other cancellations;
 - 3.3.3 endorse all cheques, drafts, notes and other negotiable instruments issued in payment of the Claims and the Other Property;
 - 3.3.4 take conservatory measures and appropriate proceedings to obtain payment of the Claims and the Other Property;
 - 3.3.5 negotiate and settle out of Court with the debtors of the Claims and the Other Property, their trustee if there is a bankruptcy or insolvency, or any other legal representative, the whole as it deems appropriate; and
 - 3.3.6 deal with any other matter relating to the Claims and the Other Property, in its discretion, without the intervention or the consent of the Guarantor, the Lender not being liable for any loss, damages, material damages or prejudice which may result from its fault, other than intentional or gross fault, or from the fault of one of its representatives in the collection or recovery of the Claims and the Other Property or the failure to collect or recover the Claims and the Other Property.
- 3.4 If, despite the withdrawal of authorization by the Lender, as provided for in Subsection 3.2 hereof, amounts payable in virtue of the Claims and the Other Property are paid to the Guarantor, the Guarantor shall receive such amounts as mandatary or depository of the Lender and shall deliver them to the Lender upon receipt.
- 3.5 If the Lender collects all or part of the Claims and the Other Property, it may, in its absolute discretion, impute the sums it collects in the manner stipulated in Article 4 of this Agreement, notwithstanding any legal provisions on imputation of payments.
- 3.6 If, following the failure of the debtor of a Claim and the Other Property to perform its obligations, the Guarantor does not promptly exercise the recourses and guarantees available to it by law or the rights relating to the Claims and the Other Property, the Lender may then, in its discretion, choose to exercise such recourses and guarantees. The Lender may require that the sums collected be remitted to it in order to be imputed in accordance with Article 4 of this Agreement.
- 3.7 The Lender may appoint an agent or agents to act on its behalf in connection with the collection of the Claims and the Other Property including, without limitation, any demand, mise en demeure, procedure, alienation or other transaction relating to the Claims and the Other Property, and may pay to such agent or agents reasonable fees (including legal fees), such fees to be added to and to be considered as forming part of the Facility "F" of the Financing Agreement.



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- 3.8 If, according to legal provisions that might be applicable to them, certain Claims or part of the Other Property may not be hypothecated without the Guarantor incurring a default under said provision, or not conforming to certain formalities, the hypothec constituted under this Agreement shall be deemed to have been granted under the suspensive condition of obtaining any consent or authorization required or the fulfilment of any required formality regarding said Claims and Other Property and shall take effect retroactively as of the date of execution of this Agreement, at the exact time when said consent or authorization was obtained or the fulfilment of said formalities. The Guarantor covenants to obtain diligently any consent and authorization, when required, and to fulfil all formalities necessary so that the Claims and the Other Property herein mentioned be validly hypothecated without placing the Guarantor in default and by respecting all appropriate formalities.
- 3.9 The Guarantor shall ensure that all the formalities required for the publication provided for by law have been completed in order to render the hypothecs, prior claims or other rights, present and future, of the Guarantor, opposable towards third persons.
- 3.10 The Guarantor undertakes to inform the Lender without delay of any delay in the payment of one or another of the Claims and the Other Property and to provide the Lender with any information required regarding the hypothecs, prior claims or other rights which may benefit the Claims and the Other Property after the signature hereof.

4. **APPLICATION OF PAYMENTS**

Except as otherwise provided for under the terms and conditions of the Financing Agreement and notwithstanding any law, usage or custom to the contrary, the receipt by the Lender of any payment made to it for taxes, rents, indemnities under insurance policies and any other sums received from the Guarantor or collected by virtue of the Financing Agreement and of the Guarantee or this Agreement may be imputed to the repayment of any amounts disbursed by the Lender for the purpose of protecting its rights in the Secured Property or realizing its rights and shall not operate as payment of any sum whatsoever owing to it unless such payments are expressly applied by the Lender in reduction of the said sum owing and only to the extent of such application.

5. **SCOPE OF THE SECURITY**

The hypothec and the security created hereunder are in addition to and not in substitution of any other hypothec or security held by the Lender in connection with the Facility "F" of the Financing Agreement. The hypothec and the security created hereunder are continuous security which shall subsist despite any acquittance, total or partial, of the obligations secured by this Agreement.



6. **REPRESENTATION AND WARRANTIES OF THE GUARANTOR**

- 6.1 In addition to the representations and warranties of the Guarantor under the terms and conditions of the Guarantee, the Guarantor represents and warrants to the Lender that:
- 6.1.1 the head office and the principal place of business of the Guarantor 1800 East Sahara, Suite 107, in the City of Las Vegas, State of Nevada (89104), and the Guarantor does not do business anywhere else, save and except for certain places of business which shall be disclosed in writing to the Lender before their opening;
 - 6.1.2 the Secured Property is located at its head office and principal place of business in the State of Nevada and is not to be used outside of the State of Nevada, save and except for certain places of business which shall be disclosed in writing to the Lender before their opening;
 - 6.1.3 the Guarantor is the sole and absolute owner of the Secured Property and there are no hypothecs, charges, security or other encumbrances whatsoever on the Secured Property, save and except for:
 - 6.1.3.1 a movable hypothec without delivery, in favour of the Lender, published at the Register under the number 99-0017947-0001;
 - 6.1.3.2 a movable hypothec without delivery, in favour of the Lender, published at the Secretary of State of the State of Nevada under the number 9902430;
 - 6.1.4 the Guarantor has full corporate power and capacity to carry on the business presently carried on by it, own its properties and assets, and enter into and perform its Obligations under the Guarantee and this Agreement and has duly authorized, executed and delivered the Guarantee and this Agreement; and
 - 6.1.5 any and all representations herein mentioned and in the Guarantee and this Agreement as well as any certificates or documents provided by or on behalf of the Guarantor for the benefit of the Lender are pertinent and shall remain in force without time limits. The Lender shall be deemed to have relied upon such representations and warranties of the Guarantor contained herein and in the Guarantee and this Agreement, notwithstanding any investigation conducted by the Lender.
- 6.2 Without limiting the generality of the foregoing, the Guarantor hereby represents and warrants, with respect to the Intellectual Property, the following:



- 6.2.1 as of this day, Schedule "A" annexed hereto, signed for identification by the Guarantor and the Lender, illustrates the complete list of all trademarks, registered or not, owned by the Guarantor, and Schedule "B", also signed for identification by the Guarantor and the Lender, illustrates all copyrights, registered or not, including in any software, manuals, drawings, patents, patent applications and confidential information owned by the Guarantor;
- 6.2.2 as of this day, Schedule "C", also signed for identification by the Guarantor and the Lender, illustrates all licences and all Partner Lease Agreements, subscribed or granted by the Guarantor, which have not been modified and for which it is not in default;
- 6.2.3 the Intellectual Property and any applicable registration thereof is valid and enforceable;
- 6.2.4 no claim has been made to the effect that the use of the Intellectual Property infringes upon the rights of any person, save and except for the current Arachnid infringement litigation;
- 6.2.5 with the exception of licences, if any, the Guarantor is the sole legal owner and holder of all rights in the Intellectual Property which is free and clear of any charge;
- 6.2.6 the Guarantor has transmitted the appropriate notices to substantiate its possession of the Intellectual Property and the rights of use thereof to the extent deemed reasonably required to protect the said Intellectual Property;
- 6.2.7 save for the filing hereof at the Canadian Intellectual Property Office, no authorization, consent or other procedure on the part of the Guarantor, and no notice to or filing with any governmental or relevant statutory authority is required (i) for the granting of the security or the execution, delivery and fulfilment of this Agreement by the Guarantor or (ii) for the realization or exercise by the Lender of its rights and recourses under this Agreement.
- 6.2.8 the Guarantor has taken and is currently taking any and all measures deemed necessary, useful or appropriate in order to verify all its softwares and computer systems for Year 2000 compliance, and therefore declares that all its said softwares, in its current and subsequent versions, and computer systems will be Year 2000 compliant, such that no logical, arithmetic or program abends, or other errors or abends result when post-1999 dates are input or encountered, without having to incur significant expenditures.



- 6.3 Without limiting the generality of the foregoing, the Guarantor hereby covenants, represents and warrants, to the Lender with respect to the Partner Lease Agreements, that:
- 6.3.1 it shall perform all obligations under the Partner Lease Agreements and maintain all Partner Lease Agreements in good standing; -
 - 6.3.2 it shall report regularly to the Lender in accordance with the terms and conditions of the Financing Agreement pertaining to the Partner Lease Agreements, any new Partner Lease Agreements that are entered into, any amendments to the terms and any default, breaches or terminations;
 - 6.3.3 the Guarantor shall exercise any options or renewal rights under the Partner Lease Agreements where commercially reasonable in the opinion of the Lender;
 - 6.3.4 it shall make detailed reports to the Lender of all lease amount due and owing to the Guarantor or other income received under the Partner Lease Agreements;
 - 6.3.5 the Guarantor shall indemnify the Lender against infringement, product liability and other liability;
 - 6.3.6 the Partner Lease Agreements are assignable and that it shall not assign the Partner Lease Agreements without the Lender's prior consent;
 - 6.3.7 all documentation relating to jukeboxes, technology and know-how is sufficient to enable the Lender or any person designated by it (with or without skilled assistance) to use same;
 - 6.3.8 it shall maintain lists of names and addresses of all sources supply of essential materials and components used in Guarantor's production of jukeboxes.
- 6.4 All representations and warranties of the Guarantor herein stipulated and all certificates or documents provided by or on behalf of the Guarantor for the benefit of the Lender are pertinent and shall remain in force without time limits. The Lender shall be deemed to have relied upon the representations and warranties of the Guarantor contained herein, notwithstanding any investigation conducted by the Lender.
- 6.5 The Guarantor shall hold harmless and indemnify the Lender for all claims alleging that the Intellectual Property fraudulently imitates or violates the rights of a third party, including all patent rights, copyrights, trademarks, trade secrets or any other intellectual property or contractual rights.



- 6.6 The Guarantor shall submit to the Lender a copy of all rights in the Intellectual Property issued or received in replacement of existing Intellectual Property or for the renewal, replacement or addition thereto, or which have been issued or received upon purchase, repurchase, conversion or cancellation thereof, or upon any other transformation of the Intellectual Property or otherwise, which shall form part of the Intellectual Property.

7. COVENANTS OF THE GUARANTOR

In addition to the covenants undertaken by the Guarantor towards the Lender under the terms and conditions of the Guarantee, the Guarantor covenants to the Lender that:

- 7.1 it will inform the Lender, without delay, of any changes in its name, trade name, domicile, head office and place of business or in the content or the accuracy of the representations and declarations mentioned in Article 6 hereof;
- 7.2 it shall pay, when due, all rights, levies, taxes and charges, as well as any claim that may take rank before the hypothec constituted under this Agreement; upon demand by the Lender, the Guarantor shall provide the Lender with the evidence that it has paid any amounts due under the terms and conditions of the Guarantee and this Agreement;
- 7.3 the Guarantor shall insure the Secured Property and shall keep it insured against any damages caused by theft and fire and against any other risk that a prudent administrator would protect through insurance, the whole for its full insured value. The Lender is hereby named beneficiary of all indemnities payable under any insurance policies. The Guarantor covenants to name the Lender as beneficiary of any insurance policy and said policy shall contain a mortgage clause or comparable provision with respect to hypothecary creditors according to the form established by the Insurance Bureau of Canada. The Guarantor shall provide the Lender with a copy of each policy and, at least thirty (30) days before the expiry date or cancellation date of said policy, the Guarantor shall provide to the Lender evidence that said policy has been renewed or replaced. The receipt of any indemnities paid or not to the Guarantor shall not be considered as payment nor operate novation or diminish, in any way, the rights and privileges of the Lender unless said indemnities be expressly applied by the Lender in reduction of any amounts due under the provisions of the Guarantee and this Agreement;
- 7.4 it shall keep the Secured Property free and unencumbered of any real right, hypothecs or suretyship, save and except for the hypothecs mentioned at 6.1.3;
- 7.5 it shall not dispose of the Secured Property otherwise than in the normal course of its business or operations, save and except if the Lender agrees thereto in writing. Further, the Guarantor shall in no event and at any time whatsoever dispose of any Claims, Partner Lease Agreements or of any of its jukeboxes, including their



accessories, additions and spare parts, whether present or future, save and except if the Lender agrees thereto in writing. Should the Guarantor fail to comply with the covenant provided for herein, it shall automatically be in default under the terms and conditions of this Agreement and of the Guarantee and the Lender shall be entitled to demand the full and immediate repayment of the Facility "F" of the Financing Agreement and/or the Guarantee, even if said Facility "F" of the Financing Agreement and/or the Guarantee are not yet due. Notwithstanding any disposition, the Guarantor shall continue to be obligated to reimburse the Facility "F" of the Financing Agreement and/or the Guarantee and this Agreement shall remain in full force and effect;

- 7.6 it shall provide the Lender with any piece of information that the Lender may reasonably require regarding the Secured Property or to ascertain that the Guarantor does conform to its covenants herein mentioned and in the Guarantee. The Guarantor shall inform the Lender of any event that might substantially affect the value of the Secured Property or the financial situation of the Guarantor;
- 7.7 the Guarantor agrees that the Lender shall register at the Guarantor's own expenses, the movable hypothec agreement or security interest in any jurisdiction in which the Secured Property is located as well as in any jurisdiction in which any and all existing or future jukeboxes' operators, as lessee under the Partner Lease Agreements are located, and covenants to execute any and all documents deemed necessary, useful or appropriate by the Lender, in its discretion, in order to give full effect to the registration of said movable hypothec agreement or security interest in its favour. Such movable hypothec or security interest shall be in any case a first-ranking general movable hypothec or security interest. In addition, the Guarantor shall without delay deliver or cause to be delivered to the Lender a list in form and substance satisfactory to the Lender, outlining the full particulars of any and all future Secured Property in any jurisdiction in which said Secured Property is located, and to take or cause to be taken all such steps deemed necessary, useful or appropriate by the Lender in order to enable it to register said movable hypothec agreement or security interest in its favour. Should the Guarantor fail to comply with the covenants provided for herein, the Guarantor shall automatically be in default under the terms and conditions of this Agreement as well as of the Financing Agreement; and
- 7.8 it shall provide the Lender in accordance with the Financing Agreement, with a detailed list of the number of jukeboxes rented to the operators, as lessee, under the terms and conditions of the Partner Lease Agreements in which the Secured Property is integrated indicating the following items: serial number, version, location, delivery date, name of the lessee and term of the lease.



8. **OBLIGATIONS OF THE GUARANTOR REGARDING
MAINTENANCE OF RIGHTS IN THE INTELLECTUAL PROPERTY**

8.1 The Guarantor shall be diligent and do everything reasonably necessary or desirable to preserve and maintain the Intellectual Property. More particularly, the Guarantor shall proceed as follows:

- 8.1.1 register all existing and future Intellectual Property, when applicable and when deemed commercially reasonable by the Lender;
- 8.1.2 renew, if need be, all registrations regarding the Intellectual Property;
- 8.1.3 when applicable, file all necessary or desirable transfers to maintain the rights of the Guarantor in the Intellectual Property;
- 8.1.4 pay all costs required for the maintenance of the Intellectual Property;
- 8.1.5 keep proper records and documentation and ensure that all persons having access to the confidential information be a party to a confidentiality agreement to the satisfaction of the Lender;
- 8.1.6 ensure that the concession of all licences adequately protects the rights of the Guarantor in the Intellectual Property;
- 8.1.7 perform all obligations under licences and maintain all licences in good standing;
- 8.1.8 report regularly to the Lender on the status of all licences, any new licences that are entered into, any amendments to the terms and any defaults, breaches or terminations;
- 8.1.9 exercise any options or renewal rights under licence agreements when commercially reasonable in the opinion of the Lender;
- 8.1.10 make detailed reports to the Lender of all royalty payments or other income received under licences;
- 8.1.11 initiate and institute, in its name, as interested party, for its benefit and at its expense, all legal proceedings or other actions in counterfeiting, unfair competition, depreciation or other damage which shall be, in the opinion of the Guarantor acting reasonably for the purposes of its business, necessary to protect its rights in the Intellectual Property rights. The Guarantor shall immediately inform the Lender in writing, of any legal proceedings instituted by it and shall provide the Lender with all information which the latter may reasonably require;



8.1.12 the Guarantor shall not conclude or renew any agreement which could, in any manner whatsoever, interfere with the obligations of the Guarantor under the terms hereof, unless the Lender shall have given its prior written consent thereto;

8.1.13 the Guarantor shall stand in for and take up the defence of the Lender against any claim regarding the Intellectual Property alleging that it does infringe or contravene any right of any third party. The Guarantor shall pay all costs and charges with regard to any damages and any reasonable legal fees incurred by the Lender for any such infringement or contravention.

9. **EVENTS OF DEFAULT AND EXPIRY OF TERM**

9.1 Unless otherwise specifically provided by law, each of the following events shall constitute an event of default hereunder (herein referred to as "**Event of Default**"):

9.1.1 the occurrence of a default under the terms and conditions of the Guarantee, this Agreement or any other security agreement or document pertaining to the Facility "F" of the Financing Agreement; or

9.1.2 the failure of the Guarantor to make any payment or reimbursement under the terms of the Facility "F" of the Financing Agreement and/or the Guarantee or this Agreement; or

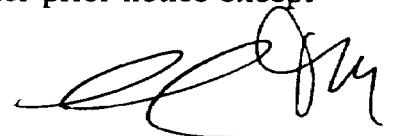
9.1.3 the failure of the Guarantor to comply with any of its Obligations or undertakings under the terms and conditions of the Guarantee and/or the Facility "F" of the Financing Agreement, this Agreement or pursuant to the law; or

9.1.4 if any of the representations and warranties made by the Guarantor under the terms and conditions of this Agreement or the Facility "F" of the Financing Agreement and/or the Guarantee or any of the other security agreements is erroneous; or

9.1.5 if the Guarantor does not comply with any of its undertakings under the terms of any other Obligations towards the Lender,

9.2 It is specifically understood between the parties that an event of default in virtue of any other loan granted by the Lender to the Borrower in virtue of the Financing Agreement or any other default in virtue of any of the other security agreements shall constitute a default under the terms of this Agreement.

9.3 Subject to the terms and conditions of the Guarantee as well as the Facility "F" of the Financing Agreement, upon the occurrence of an Event of Default, the Lender may exercise, at its discretion, without any restriction or other prior notice except



those provided by law, all rights and recourses to which it is entitled in virtue of the Facility "F" of the Financing Agreement and/or the Guarantee and any security related thereto, the present Agreement and by law.

- 9.4 Upon the occurrence of an Event of Default, the Guarantor undertakes to voluntarily surrender the Secured Property to the Lender at the request of the Lender, in all cases where the Lender has a right to such surrender, unless such surrender denies the Guarantor the right to exercise any of its rights under the *Civil Code of Quebec*. The Guarantor undertakes not to interfere in any way with the Lender in connection with its taking possession of the Secured Property surrendered by the Guarantor. Moreover, the Guarantor shall diligently execute all deeds and documents necessary for the surrender of the Secured Property to the Lender.
- 9.5 Any amount paid by the Lender in order to realize or preserve the securities created hereunder shall be payable upon demand and shall bear interest at the interest rate stipulated in the Guarantee and/or in the Facility "F" of the Financing Agreement.
- 9.6 The Lender shall be deemed to have acted in the best interest of the Guarantor and its assignees if the Lender has acted according to its normal evaluation and administration criteria of financial risk in the normal course of its business.
- 9.7 The Lender shall not be obliged to exercise the same hypothecary rights against all the Secured Property.
- 9.8 The representations and warranties, the undertakings and the performances of all the conditions and obligations provided for hereunder and under the Guarantee and/or the Facility "F" of the Financing Agreement constitute considerations in virtue of which the benefit of the term has been granted by the Lender to the Guarantor and/or to the Borrower and, as a result, the Lender may, upon the occurrence of an Event of Default, deprive the Guarantor of the benefit of the term.

10. **LAPSE OF TIME**

Subject to the terms and conditions of the Guarantee and/or the Facility "F" of the Financing Agreement with respect to notices, the mere lapse of time for the performance of any obligation in favour of the Lender, if such Obligation shall not have been performed, shall constitute a default of the Guarantor under the terms hereof without the necessity of any notice on the part of the Lender. The rights granted to the Lender may be exercised by the Lender before or after a default on the part of the Guarantor under the terms and conditions hereof and of the Guarantee and/or the Facility "F" of the Financing Agreement and any other Obligations towards the Lender.



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11. **RIGHTS OF THE LENDER UPON THE
OCCURRENCE OF AN EVENT OF DEFAULT**

- 11.1 The Guarantor hereby appoints the Lender as its irrevocable mandatary, with power of substitution, for the purposes of performing, at all times, all acts and to sign all deeds or documents necessary or useful in order to maintain and preserve the Secured Property and for the exercise of its rights hereunder. In particular, the Guarantor hereby waives its right to revoke the said mandate until final repayment of the Facility "F" of the Financing Agreement and/or of the Guarantee, in capital and interest, the fees and accessories.
- 11.2 Upon the occurrence of an Event of Default, the Guarantor agrees that the Lender may, but is not obliged to, at the expense of the Guarantor and upon the occurrence of an Event of Default, for the purposes of protecting or realizing upon the value of the Secured Property:
- 11.2.1 continue or cease the exploitation of the Secured Property, including the transformation and sale of goods in stock;
 - 11.2.2 proceed with the operations carried out by the Guarantor in the ordinary course of its business, cease or proceed, in its discretion, with the operation of the business of the Guarantor; the Lender may use any equipment or furnishings relating to the operation of the business of the Guarantor, as well as its name or head office, its trade marks and any other right in the Intellectual Property and in any incorporeal property of the Guarantor;
 - 11.2.3 reimburse on behalf of the Guarantor any third person having a claim against the Secured Property;
 - 11.2.4 dispose of any of the Secured Property likely to rapidly depreciate or decrease in value;
 - 11.2.5 use the information it has concerning the Guarantor and information obtained during the exercise of its rights;
 - 11.2.6 exercise any right regarding the Secured Property and do anything or sign any document or deed regarding the Secured Property that the Guarantor may deem necessary to the exercise of its right;
 - 11.2.7 fulfil any of the undertakings of the Guarantor;
 - 11.2.8 use, administer and exercise any right pertaining to the Secured Property;



- 11.2.9 use the premises where the Secured Property is located or any other place where the Guarantor operates its business or any other place it deems appropriate;
 - 11.2.10 appoint any representative to exercise its rights or perform its obligations hereunder and provide such person with all information it has regarding the Guarantor or the Secured Property;
 - 11.2.11 when the Secured Property includes securities, have registered, without being required, the Lender or its mandatary, as registered holder of said securities and exercise all the rights accessory thereto, including any right to vote, of conversion or redemption, and proceed with the transfer or endorsement of the securities;
 - 11.2.12 when the Secured Property includes stock, the Lender may complete the manufacturing of such stock and do anything necessary or useful for its sale.
- 11.3 The Lender shall only be accountable to the Guarantor to the extent of commercial practice and within the delays normally observed by the Lender and the Lender shall not be obliged to make inventory, take out insurance or furnish any other security.
 - 11.4 The Lender may itself, directly or indirectly, become owner of the Secured Property.
 - 11.5 The Lender may, at the time it exercises its rights, renounce to a right belonging to the Guarantor, transact and grant acquittances or mainlevées, even without consideration.
 - 11.6 The Lender shall not be liable to maintain the use for which the Secured Property is ordinarily destined, to make it productive or to continue its use or destination. Any sum of money or effect remitted or held by the Lender may be invested, at its discretion, without the Lender being bound by the legislative provisions relating to the investment of property of others.
 - 11.7 In the event of a waiver by the Lender of its recourses, hypothecary or otherwise, against the Secured Property, the Lender may, in its discretion, if the Secured Property has been surrendered to it, return the remaining Secured Property to the Guarantor, without any warranty or representation, express or tacit on its part, but without prejudice to its other rights and recourses.
 - 11.8 In the event the Lender exercises its hypothecary recourse of taking-in-payment and the Guarantor requires the Lender to sell the Secured Property, the Guarantor acknowledges that the Lender shall not be required to renounce to its recourse of



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taking-in-payment unless, before the expiration of the time limit to surrender, the Lender: (i) shall have received security which the Lender deems satisfactory to the effect that the sale will be made at a price high enough for the Lender to be paid its debt in full, (ii) shall have been reimbursed the costs incurred, and (iii) shall have advanced all amounts necessary for the sale of the Secured Property.

- 11.9 In the event that the Lender sells the Secured Property on its own, it will not be required to obtain a prior appraisal from a third party.
- 11.10 The sale of the Secured Property may be made with legal warranty on the part of the Guarantor or, at the option of the Lender, with total or partial exclusion of warranty.
- 11.11 The Lender shall not be liable or accountable for any failure or delay to exercise one or another of its rights and recourses, nor for any act or omission committed in good faith by any agent, mandatary, employee or servant of the Lender, and such failure or delay shall not be interpreted as a waiver of the rights and recourses of the Lender. The Lender is only required to exercise reasonable diligence in the exercise of its rights or the performance of its obligations and shall only be liable for its gross or intentional fault.

12. CUMULATIVE RECOURSES AND WAIVER

- 12.1 The acceptance by the Lender of any sum owing to the Lender or the exercise by the Lender of any rights or recourses under the terms of this Agreement, the Guarantee, the Facility "F" of the Financing Agreement or at law, following the occurrence of an Event of Default, shall not preclude the Lender from exercising any other rights or recourses, all rights and recourses of the Lender being cumulative and not alternative. The Lender shall be entitled to exercise its rights and recourses against all or any part of the Secured Property, simultaneously or successively and, without restricting the generality of the foregoing, the exercise of its rights and recourses under the terms and conditions of this Agreement by the Guarantor or against any part or class of Secured Property shall not be considered as depriving the Guarantor to exercise any of its other rights and recourses at its disposal.
- 12.2 Any waiver by the Lender to invoke a breach of any provision, Obligation or condition under the terms and conditions of this Agreement or the Guarantee and/or the Facility "F" of the Financing Agreement, shall not be construed as a waiver of such provision, Obligation or condition, nor a waiver of any subsequent breach of any other provision, Obligation or condition provided for herein and therein. The subsequent acceptance of all amounts owing under the terms and conditions of this Agreement or the Guarantee and/or the Facility "F" of the Financing Agreement by the Lender or the payment of such sums by the Guarantor shall not be construed as a waiver to invoke any prior breach by the Guarantor of



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any provision, Obligation or condition under the terms and conditions of this Agreement or the Guarantee and/or of the Facility "F" of the Financing Agreement even if the Lender was aware of a prior breach at the time of acceptance or payment of said sums. The Lender shall not be deemed to have waived any provision, Obligation or condition under the terms and conditions of this Agreement or the Guarantee and/or the Facility "F" of the Financing Agreement unless such waiver has been made in writing.

13. **ACQUITTANCES**

All acquittances and other deeds to which the Lender may become a party shall be approved by legal counsel for the Lender, the whole at the Guarantor's expense and the Guarantor shall furnish, at its expense, copies of such deeds to the Lender.

14. **SOLIDARY LIABILITY**

In the event that several persons are now or in the future designated as the Guarantor, each of such persons is solidarily liable for the obligations set out herein.

15. **INDIVISIBILITY**

Every divisible obligation in favour of the Lender arising out of this Agreement must be performed in its entirety by each heir or legal representative of any person who is liable to the same extent as if it were indivisible.

16. **NOTICES AND ELECTION OF DOMICILE**

16.1 Any notice, request or motion which may or must be done under this Agreement shall be given in writing and signified or personally delivered to the recipient or to an authorized representative of the recipient at the following addresses:

16.1.1 to the Lender, at:

National Bank of Canada
600 de La Gauchetière Street West
Montreal, Quebec
H3B 4L2

Attention: Mr. Éric St-Louis, Account Manager



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16.1.2 to the Guarantor:

TouchTunes Music Corporation
1800, East Sahara
Suite 107
Las Vegas, State of Nevada
U.S.A. 89104

Attention: Mr. Tony Mastronardi, President

or to such other address as either party may from time to time advise the other by notice in writing.

The date of receipt of any such notice, request or motion shall be the date of its delivery or signification, as the case may be.

If the Lender is unable to find the Guarantor at the above-mentioned address, delivery or signification of the said notice, request or motion shall be valid if made to the office of the Prothonotary of the Superior Court for the Judicial District of Montreal where, in such a case, for the purposes hereof, the Guarantor elects domicile.

17. **GENERAL**

- 17.1 The intention of the parties hereto is that this Agreement create valid hypothec and in the event a provision of this Agreement or a part of such provision or the application of such provision to a person or a particular circumstance has been declared or rendered invalid, inapplicable or illegal, or if it has been declared incompatible with the creation of valid hypothec, then, such provision or such part of such provision or particular application of such provision, as the case may be, shall be considered distinct and separable from the remainder of this Agreement and this Agreement shall continue to remain in force and executory and bind the parties hereto as if this provision or part of this provision or the particular application of this provision was never included.
- 17.2 The Guarantor shall pay all legal fees and all disbursements in connection herewith, shall be responsible for all judicial and extra-judicial fees and all expenses incurred by the Lender to recover any part of the Facility "F" of the Financing Agreement and of the Guarantee not paid or to protect or realize upon the hypothec created hereunder.
- 17.3 The rights conferred to the Lender hereunder shall enure to the benefit of the successors and assigns of the Lender including any entity resulting from the amalgamation of the Lender with another person.



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- 17.4 The word "Lender" shall include all successors of the National Bank of Canada and any assignee of its rights.
- 17.5 In any place where the context requires it, the word "Guarantor" shall include any authorized acquirer of the Secured Property.
- 17.6 In any place where the context requires it in this Agreement, the singular number herein set forth shall be interpreted as plural and the masculine gender as either feminine or neuter and vice versa.
- 17.7 The headings included in this Agreement have been included for reference purposes only and shall not have the effect of restricting or broadening the scope or meaning of this Agreement and its provisions.
- 17.8 In case of conflict between the provisions of the Guarantee and those of this Agreement, the provisions of this Agreement shall have precedence upon the provisions of the Guarantee.
- 17.9 The hypothec created under this Agreement shall not be construed as floating hypothec within the meaning of Article 2715 and following of the *Civil Code of Quebec*.
- 17.10 This Agreement shall be governed and interpreted by the law in force in the Province of Quebec.

18. **LANGUAGE**

The parties hereto have requested that this document be drawn up in the English language.
Les parties aux présentes ont exigé que ce document soit rédigé en langue anglaise.

SIGNED at the City of Montreal, Province of Quebec, on the date first mentioned above.

NATIONAL BANK OF CANADA

Per: _____

Éric St-Louis, Account Manager
Technology Group

TOUCHTUNES MUSIC CORPORATION

Per: _____

Tony Mastronardi, President

INTERVENTION

Hereby intervenes the Borrower after having taken communication of this Agreement to agree to the provisions hereof and covenants to do or cause to be done any act required to review the Guarantee when so required by the Bank, otherwise the Borrower agrees that the non-renewal of this Guarantee shall constitute a default of the Borrower under the terms of the Financing Agreement.

**JUKE-BOX NUMERIQUE TOUCHTUNES
INC./TOUCHTUNES DIGITAL JUKEBOX INC.**

Per: _____

Tony Mastronardi, President



SCHEDULE "A"

LIST OF TRADEMARKS

REGISTERED AND UNREGISTERED TRADE MARKS

<u>Trademark</u>	<u>Trademark Application</u>	<u>Filing date</u>	<u>Country</u>	<u>Procedure Status</u>
Touchtunes Digital Jukebox and Design	75/239,466	02/10/97	U.S.A. ✓	Examination published for Opposition 05/26/98
Touchtunes and Design	75/428,481	02/04/97	U.S.A. ✓	Examination
Touchtunes and Design	616,649	08/14/98	Europe	Examination
Touchtunes Digital Jukebox	598,789	08/14/98	Europe	Examination
Touchtunes Digital Jukebox	853,074	07/07/97	Canada	Examination
Touchtunes and Design	854,850	08/28/97	Canada	Published for Opposition 10/28/98
Touchtunes Digital Jukebox and Design	97/150,269	20/08/97	Japan	Examination
Touchtunes Digital Jukebox	97/147,479	08/08/97	Japan	Examination



SCHEDULE "B"

LIST OF COPYRIGHTS, PATENTS AND CONFIDENTIAL INFORMATION

I REGISTERED AND UNREGISTERED COPYRIGHTS:

- Canadian Copyright Registration n° 442,114 dated April 5, 1995 for the software entitled: Real-Time Modular Multi-Process Kernel
- Jukebox Software, version 1.1
- Server Software, version 1.11 Beta

II PATENT APPLICATIONS AND PATENTS

<u>Inventions</u>	<u>Patent Application Serial N°.</u>	<u>Filing Date</u>	<u>Country</u>	<u>Procedure Status</u>
Intelligent Digital Audiovisual Payback System	2,201,913	1995/10/12	Canada	Laid-open: 1996/04/25
Method of Communication for an Intelligent Digital Audiovisual Playback System	2,201,914	1995/10/12	Canada	Laid-open: 1996/04/25
Motor Vehicle Air Conditioning Control System	2,218,409	1997/02/07	Canada	Laid open: 1997/08/14



Procedure for Selecting a Recording on a Digital Audiovisual Reproduction System and the System for Implementing the Procedure	2,216,665	1997/09/19	Canada	Laid-open: 1998/03/25
Audiovisual Distribution System	2,201,917	1995/10/12	Canada	Laid-open: 1996/04/25
Home Digital Audiovisual Information Recording and Playback Apparatus	2,201,916	1995/10/12	Canada	Laid-open: 1996-04-25
Intelligent Digital Audiovisual Playback System	2,201,915	1995/10/12	Canada	Laid-open: 1996/04/25
System for Distributing and Selecting Audio and Video Information and Method Implemented by said System	2,201,911	1995/10/02	Canada	Laid-open: 1996/04/25
Digital Wireless Speakers	2,249,071	1998/09/23	Canada	Filed
Intelligent Digital Audiovisual Playback System	2,201,909	1994/10/12	Canada	Laid-open: 1996/04/25




Intelligent Digibal Audiovisual Playback System	PCT/FR94/01185	12/10/94	France	Examination
Intelligent Digital Audiovisual Playback System	PCT/FR95/01333	12/10/95	France	Examination
Method of Communication for an Intelligent Digital Audiovisual Playback System	PCT/FR95/01334	12/10/95	France	Examination
Intelligent Digital Audiovisual Playback System	PCT/FR95/01335	12/10/95	France	Examination
Home Digital Audiovisual Information Recording and Playback Apparatus	PCT/FR95/01336	12/10/95	France	Examination
Audiovisual Distribution System	PCT/FR95/01337	12/10/95	France	Examination
System for Distributing and Selecting Audio and Video Information and Method Implemented by Said System	PCT/FR95/01338	12/10/95	France	Examination
Secured Power Supply for Audiovisual Playback System	9804894	14/04/98	France	Examination



Audio Settings for Intelligent Digital Playback System	9809350	22/07/98	France	Examination
Remote Control for Intelligent Playback Digital Audiovisual System	9809351	22/07/98	France	Examination
Audiovisual Reproduction System	9809352	22/07/98	France	Examination
Downloading System of Objects or Files for Software Update	9809296	21/07/98	France	Examination
Digital Wireless Speakers	9712007	26/09/97	France	Examination



Intelligent Digital Audiovisual Playback System	9593464690.9	12/10/94	Europe	Will be granted on February 17, 1999
(1) Intelligent Digital Audiovisual Playback System	94930247.5	12/10/94	Europe	Examination
(2) Intelligent Digital Audiovisual Playback System	99104129.4	02/03/99	Europe	Division
Method of communication for an Intelligent Digital Audiovisual Playback System	95934691.7	12/10/95	Europe	Will be granted on February 2, 1999
Intelligent Digital Audiovisual Playback System	95934692.5	12/10/95	Europe	Examination
Home Digital Audiovisual Information Recording and Playback System	95934693.3	12/10/95	Europe	Examination
Audiovisual Distribution System	95934694.1	12/10/95	Europe	Will be granted on February 2, 1999
System for Distributing and Selecting Audio and Video Information and Method Implemented by Said System	95934695.1	12/10/95	Europe	Granted 31/10/97



Process for Selecting a Recording on a Digital Audiovisual reproduction System, and System for Implementing the Process	97402110.7	11/09/97	Europe	Examination
Digital Wireless Speakers	98402266.5	15/09/98	Europe	Examination



Process for Selecting a Recording On a Digital Audiovisual Reproduction System, and System for Implementing the Process	260,682/97	25/09/97	Japan	Filed for National Phase
Intelligent Digital Audiovisual Playback System	512,969/96	12/10/94	Japan	Laid-open: 507290/98
Intelligent Digital Audiovisual Playback System	512,985/96	12/10/95	Japan	Laid-open: 507592/98
Communication Method for an Intelligent Digital Audiovisual Playback System	512,986/96	12/10/95	Japan	Laid-open: 507543/98
Intelligent Digital Audiovisual Playback System	512,987/96	12/10/95	Japan	Laid-open: 507544/98
Home Digital Audiovisual Information Recording and Playback System	512,988/96	12/10/95	Japan	Laid-open: 507545/98
Audiovisual Distribution System	512,989/96	12/10/95	Japan	Laid-open: 507546/98
System for Distributing and Selecting Audio and Video Information and Method Implemented by Said System	512,990/96	12/10/95	Japan	Laid-open: 507547/98



Digital Wireless Speakers	272,236/98	25/09/98	Japan	Filed for National Phase
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Patents

Intelligent Digital Audiovisual Playback System	08/817,690	23/07/97	U.S.A. ✓	Examination Division
Intelligent Digital Audiovisual Playback System	08/817,689	13/06/97	U.S.A. ✓	Examination
Communication Method for an Intelligent Digital Audiovisual Playback System	08/817,528	05/08/97	U.S.A. ✓	Examination
Intelligent Digital Audiovisual Playback System	08/817,968	02/10/97	U.S.A. ✓	Examination
Home Digital Audiovisual Information Recording and Playback System	08/817,437	12/06/97	U.S.A. ✓	Examination
Audiovisual Distribution System	08/817,426	19/06/97	U.S.A. ✓	Examination
System for Distribution and Selecting Audio and Video Information and Method Implemented by Said System	08/817,438	02/10/97	U.S.A. ✓	Examination
Process for Selecting a Recording on a Digital Audiovisual Reproduction System and System for Implementing the Process	08/935,826	23/09/97	U.S.A. ✓	Examination



Digital Wireless Speakers	09/161,584	28/09/98	U.S.A. ✓	Examination
Downloading System of Objects or Files for Software Update	09/144,440	01/09/98	U.S.A. ✓	Examination

III PATENTS AND CONFIDENTIAL INFORMATION

All of the technical and proprietary information needed for the manufacturing of PC card (Agreement between Touchtunes Digital Jukebox Inc. and TMC Technical Maintenance Corporation and Dialog 4 System Engineering GmbH of June 3, 1998).



SCHEDULE "C"

LICENCE AGREEMENTS AND OTHER AGREEMENTS AND CONTRACTS

1. Memorandum of Agreement entered into between Technical Maintenance Corporation and Touchtunes Digital Jukebox Inc. on March 18, 1997.
2. Draft of a Licence Agreement dated 1998/12/98 to be entered into between Touchtunes Music Corporation and Touchtunes Digital Jukebox Inc.
3. Partner Lease Agreements (PLA) entered into between Technical Maintenance Corporation and Operators as listed herein that have signed PLA:
4. Draft of a Licence Agreement to be entered into between Technical Maintenance Corporation and Touchtunes Digital Jukebox Inc. and Thomson Multimedia Inc.
5. Agreement entered into Touchtunes Digital Jukebox Inc. and TMC Technical Maintenance Corporation and Dialog 4 System Engineering GmbH on June 3, 1998:
 - a. the right to use and to manufacture the DSP design;
 - b. the right to use the Firmware for board functionability and the diagnostic software of TT or any subcontractor of TT with a licence to use such software or firmware for the mass production of PC cards.



List of Operators That Have Signed Partner Lease Agreements (PLA)

**3-D Music
Arcade
Atlas
Bee Creek
Bezerkley
Bruce's Music
Bunky J.B Man
Calloway's
Cecchetti Bros.
Connelly Vending Inc.
Courtesy Coin
CTS Enterprises
Darrrt Amusement
Delmarva Amusement
Digital Music Systems
Diltz & Sons
Federal Vending
Ferris Music
Future Vending
Fugozzotto Ent. Inc
Harp Vending
Indy Amusement
Intune Inc.
Jag Vend.
J.B Amusement
Lincoln Lane
London Vending
Mack Enterprises
Memories Games
Metro Service
Mid-state
Mint Amusement
Modern
Morgan
Mike's Amusement
Music & Games
Nebraska Tech.
North Central
Gaming/Northern
Vending
P & D Games
Penn SSS Vending
PMI Music
PNL Vending**

A handwritten signature in black ink, appearing to be 'R. J. H.', is located in the bottom right corner of the page.

List of Operators That Have Signed Partner Lease Agreements (PLA)

**Renner Amusement
Sound Amusement
Sports Arcade
Stacey's Vending
State Amusement Co.
Statewide Coin Oper.
Sun City Vending
T & G Music Inc
Tiger Amusements
TLC Novelty
Uneek
Williams**

A handwritten signature in black ink, appearing to be 'Patent' followed by a stylized flourish.

PATENT

REEL: 010009 FRAME: 0702

**CERTIFIED EXTRACT OF A RESOLUTION OF THE BOARD OF TOUCHTUNES
MUSIC CORPORATION ADOPTED ON THE FOURTEEN (14th) DAY OF APRIL,
NINETEEN HUNDRED AND NINETY-NINE (1999)**

DEED OF GUARANTEE AND MOVABLE HYPOTHEC

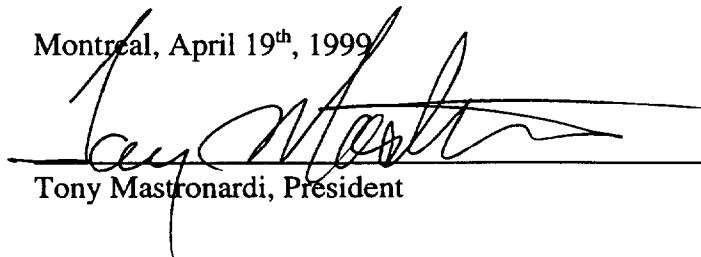
RESOLVED:

1. "THAT the corporation be and it is hereby to enter into a movable hypothec on the universality of its present and future property, both corporeal and incorporeal, including its intellectual property in the amount of Ten Million and Four Hundred American Dollars (US \$ 10,400,000), as well as an additional hypothec in the amount of Two Million and Eighty Thousand American Dollars (US \$2,080,000), to guarantee all of its obligations under the deed of guarantee in favour of the Bank, the whole up to the amount of Ten Million and Four Hundred Thousand American Dollars (US \$ 10,400,000), in accordance with a draft of which is deposited before the Board of Directors of the corporation and is hereby approved; and
2. THAT Tony Mastronardi, the Corporation's President, be and he is hereby authorized and instructed to execute all documents for and on the account of the Corporation, as well as any other document pertaining to this transaction, to effect any modification thereto and to do or to cause to have done anything that he may, in his sole discretion, deem necessary, useful or appropriate in order to give full effect to this resolution."

* * * * *

The undersigned, Tony Mastronardi, President of the Corporation and on behalf of the Executive Committee of the Corporation, hereby certifies that the text appearing above is a true extract of a resolution adopted by the Board of Directors of Touchtunes Music Corporation on April 14th, 1999 and that, as of this date, said resolution remains in full force and effect.

Montreal, April 19th, 1999



Tony Mastronardi, President

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**CERTIFIED EXTRACT OF A RESOLUTION OF THE BOARD OF TOUCHTUNES
MUSIC CORPORATION ADOPTED ON THE FOURTEEN (14th) DAY OF APRIL,
NINETEEN HUNDRED AND NINETY-NINE (1999)**

DEED OF GUARANTEE AND MOVABLE HYPOTHEC

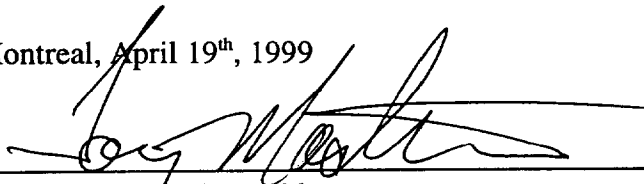
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Montreal, April 19th, 1999



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