



Registration of a Charge

Company name: **INGENIOUS PROJECT FINANCE LIMITED**

Company number: **07816345**



X7I6TBFC

Received for Electronic Filing: **07/11/2018**

Details of Charge

Date of creation: **29/10/2018**

Charge code: **0781 6345 0030**

Persons entitled: **BABBER FILMS LIMITED**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ELLEN LISTER**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7816345

Charge code: 0781 6345 0030

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th October 2018 and created by INGENIOUS PROJECT FINANCE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th November 2018 .

Given at Companies House, Cardiff on 9th November 2018

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Deed of Security Assignment and Charge

In respect of the Project currently entitled "Honest Thief"

Dated: 29 October 2018

BABBER FILMS LIMITED

(1)

INGENIOUS PROJECT FINANCE LIMITED

(2)

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DATE: 29 October 2018

PARTIES:

- (1) **Babber Films Limited** (Company Number 09322405) a limited liability company incorporated under the laws of England and Wales, whose registered office is at 15 Golden Square, London W1F 9JG (the "**Chargee**" which expression shall be deemed to include its successors in title and permitted assigns); and
- (2) **Ingenious Project Finance Limited** (Company Number: 07816345) a limited liability company incorporated under the laws of England and Wales, whose registered office is at 15 Golden Square, London, W1F 9JG (the "**Chargor**" which expression shall be deemed to include its successors in title and permitted assigns).

RECITALS

- (A) Pursuant to the terms of the Loan Agreement, the Chargee has agreed to advance to the Chargor the Facility (as defined in the Loan Agreement) and, in addition, such other amounts as may be payable under the terms of the Loan Agreement (such principal sum and any and all other amounts paid by the Chargee to the Chargor under the Loan Agreement being referred to herein as the "**Loan**") for the Purpose on the terms and subject to the conditions of the Loan Agreement.
- (B) The Chargor has agreed to execute this Deed in favour of the Chargee as security for repayment by the Chargor of the Debt.

THE PARTIES NOW AGREE as follows:

1 Definitions and Interpretation

- 1.1 In this Deed (including the Recitals) the (a) capitalised words and expressions set out in Schedule 1 shall, unless the context otherwise requires, have the meanings set out in that schedule; and (b) the capitalised words and expressions not otherwise defined in Schedule 1 shall have the meaning given to them in the Loan Agreement.
- 1.2 Words denoting the singular shall include the plural and vice versa, words denoting any gender shall include every gender and words denoting persons shall include corporations and vice versa.
- 1.3 Any reference in this Deed to any statute, statutory provision, delegated legislation, code or guideline shall be a reference thereto as the same may from time to time be amended, modified, extended, varied, superseded, replaced, substituted or consolidated.
- 1.4 Unless otherwise stated time shall be of the essence for the purpose of the performance of the Chargor's obligations under this Deed.

2 The Chargor's Covenant

In consideration of the Chargee making or continuing to make available the Loan or any other accommodation (whether financial or otherwise) to the Chargor under the Loan Agreement, the Chargor hereby covenants to perform and discharge when due all its obligations under the Loan Agreement and hereunder and to repay the Debt when due to the Chargee in accordance with the terms and provisions of the Loan Agreement and hereunder.

3 Security Assignment

The Chargor, by way of continuing security for the performance of the Secured Obligations, hereby assigns to the Chargee with full title guarantee subject to the proviso for re-assignment in Clause 10 below, all of its right, title and interest (if any) both present and future, vested and contingent, statutory and otherwise, in and to the following:

- 3.1 all the Chargor's rights, interests and benefits in and to the Relevant Agreements (to which the Chargor is a party) and all other agreements entered into or to be entered into by the Chargor relating to the Project and the benefit of all income or moneys payable to the Chargor or to which the Chargor is entitled in respect thereof (to the extent that the same represent Project Receipts or Massachusetts Tax Credit Receipts); and
- 3.2 all income and proceeds derived from any and all of the foregoing.

4 Charge

- 4.1 The Chargor, by way of continuing security for the performance of the Secured Obligations, hereby charges with full title guarantee by way of first fixed charge in favour of the Chargee, the Chargor's right, title and interest (if any) both present and future, vested and contingent, statutory and otherwise, in and to those items referred to in Clause 3 (insofar as such items are not effectively assigned pursuant to Clause 3) and, to the extent the same relate to the Project, any and all of the following:

- (a) the freehold and leasehold property of the Chargor both present and future and all buildings and fixtures (including tenant's and trade fixtures) from time to time on any such property and all plant machinery vehicles computers and office and other equipment of the Chargor both present and future (excluding stock in trade of the Chargor) (the "**Properties**");
- (b) all stocks shares bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests including but not limited to loan capital of the Chargor both present and future in any company firm consortium or entity wheresoever situate including all allotments accretions offers rights benefits and advantages whatsoever at any time accruing offered or arising in respect of or incidental to the same and all stocks shares rights money or property accruing thereto or offered at any time by way of conversion redemption bonus preference option or otherwise in respect thereof (the "**Securities**");
- (c) all book and other debts revenues and claims both present and future including things in action which may give rise to a debt revenue or claim and including without limitation bank deposits and credit balances and the benefit of all rights and claims of any nature whatsoever against any lessees, licensees or other occupiers and against all guarantors and sureties for the obligations of such lessees or occupiers from time to time of the whole or any parts of any of the Properties due or owing or which may become due or owing to or purchased or otherwise acquired by the Chargor and the full benefit of all rights and remedies relating thereto including but not limited to any negotiable or non-negotiable instruments guarantees indemnities debentures legal and equitable charges, letters of credit and other security reservation of proprietary rights, rights of tracing liens and all other rights and remedies of whatsoever nature in respect of the same (the "**Debts**");
- (d) the uncalled capital goodwill and all patents patent applications trade marks and service marks (whether registered or not) brand and trade names registered designs design rights and copyrights computer programmes inventions confidential information know-how and all other intellectual or intangible property or rights and all applications for the protection of any of the

foregoing in any part of the world and all licences agreements and ancillary and connected rights and benefits relating to the intangible property both present and future of the Chargor (the "**Capital**");

- (e) all present and future contracts or policies of insurance and assurance (including life policies) in respect of the Project in which the Chargor now or hereafter has an interest and all moneys from time to time payable thereunder including any refund of premium (the "**Insurances**"); and
- (f) all of its right, title and interest in and to the Project and all collateral, allied, ancillary, and subsidiary rights therein, and all properties and things of value pertaining thereto and all products and proceeds thereof whether now in existence or hereafter made, acquired or produced throughout the world including: (i) any and all documents, receipts or books and records (including, without limitation, documents or receipts of any kind or nature issued by any pledgeholder, warehouseman or bailee) with respect to the Project and any element thereof; (ii) all machinery, electrical and electronic components, equipment, fixtures, furniture, office machinery, vehicles, trailers, implements and other tangible personal property of every kind and description and all goods of like or type now owned or hereafter acquired by the Chargor in substitution or replacement thereof, and all additions and accessions thereto and all rents, proceeds and products thereof including, without limitation, the rights to insurance covering such equipment for the Project; (iii) all present and future deposits and other accounts of the Chargor maintained with any bank or other financial institution in any jurisdiction and any extension or renewal of such accounts and all certificates and instruments, if any, from time to time representing or evidencing such accounts from time to time opened by the Chargor in respect of the Project and any and all monies (including interest) from time to time standing to the credit of each of them; and (iv) all physical properties of every kind or nature of or relating to the Project and all versions thereof not otherwise included in this clause including, without limitation, all physical properties relating to the development, production, completion, delivery, exhibition, distribution or other exploitation of the Project, and all versions thereof or any part thereof in whatever state of completion, and all duplicates, drafts, versions, variations and copies of each thereof and any and all documents, instruments, goods and artwork which may arise in connection with the creation, production, completion, delivery, financing, ownership, possession or exploitation of the Project; and (v) the proceeds of any and/or all of the foregoing (the "**Project Assets**").

- 4.2 The Chargor, by way of continuing security for the full and timely performance of the Secured Obligations, hereby charges with full title guarantee in favour of the Chargee by way of floating charge the undertaking and all those rights, properties and the assets comprising the Collateral whatsoever and wheresoever situated both present and future, to the extent not effectively assigned pursuant to Clause 3 above or charged by way of fixed charge pursuant to Clause 4.1 above and the Chargor agrees not to part with, sell or dispose of the whole or part of said assets (except by way of sale on an arms length basis in the ordinary course of its business and for the purposes of carrying on the same and without prejudice to the above-mentioned first fixed charge and other than to the Chargee).
- 4.3 The Chargee shall be entitled by notice in writing to the Chargor to convert the floating charge referred to in Clause 4.2 into a specific charge as regards any assets specified in the notice, and in any event the said floating charge shall automatically be converted into a fixed charge as regards all the assets subject to the said floating charge without notice from the Chargee to the Chargor

upon the happening of any Default. Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 to the Enterprise Act 2002) shall apply to any floating charge created pursuant to this Deed.

- 4.4 The Chargor undertakes to hold upon trust by way of security for the Chargee absolutely, the entire interest and benefit of the Chargor (if any) in and to all that Collateral or any part thereof which cannot be charged or assigned by the Chargor together with, without limitation, all proceeds, money and other rights and benefits to which the Chargor is beneficially entitled in respect of such Collateral.
- 4.5 Clause 4.3 shall not apply by reason only of a moratorium being obtained or anything being done with a view to a moratorium being obtained under Section 1A of the Insolvency Act 1986 (as amended).
- 4.6 The Chargor shall not without the Chargee's prior written consent create or permit to arise or to subsist any Encumbrance upon the whole or any part of the Collateral subject to the Permitted Security.
- 4.7 The security interests in favour of the Chargee created herein shall rank in priority to any other Encumbrances upon the whole or any part of the Collateral (whether they are fixed, floating or otherwise) created in respect of the Collateral.
- 4.8 The Chargor shall when required by and at the expense of the Chargee (whether before or after this Deed shall have become enforceable) execute and do all such mortgages, charges, transfers, assignments, assurances, documents, acts and things in such form and otherwise as the Chargee may reasonably require for perfecting the security intended to be hereby constituted, for further charging the Collateral in order to secure further the Secured Obligations, for converting any floating charge forming part of this Deed into a fixed charge, for protecting the Chargee's interest in the Collateral or for effecting or facilitating the exercise by the Chargee of its powers, authorities and discretions hereby or by statute conferred on them or any Receiver and shall from time to time when so required by the Chargee produce to or deposit with the Chargee during the continuance of this Deed all deeds and documents of title (to the extent that the Chargor is in actual or constructive possession or control of the same) relating to the Collateral or any of them.
- 4.9 In this Deed the covenants implied by Sections 2(1) and 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall apply to the assignment hereby created.

5 Enforcement

- 5.1 The security created by this Deed shall become enforceable upon or at any time after (i) the Chargor enforces its security over any third party; and/or (ii) the happening of a Default without notice to the Chargor and without liability for any loss (whether or not due to negligence) or any costs of any kind, and at such time the Chargee's obligations under the Loan Agreement shall terminate (without prejudice to the Chargee's rights thereunder) and the Debt shall be immediately repayable.
- 5.2 Notwithstanding anything to the contrary in this Deed or any Relevant Agreement, the Chargor's obligations to the Chargee under this Deed and any other Relevant Agreement to which it is a party are limited to payments out of the Project Receipts, Massachusetts Tax Credit Receipts and the Collateral (but, in respect of those assets referred to in sub-clauses (b), (c), (d) and (e) of Clause 4.1, solely to the extent they refer to or relate to the Project).

6 Exercise of Rights

6.1 The Chargee may at any time after the security hereby created shall have become enforceable:

- 6.1.1 in relation to the Collateral exercise the power of sale conferred by Section 101 of the Law of Property Act 1925 ("LPA") as though this Deed were a mortgage made by deed and/or sell, call in, collect, convert into money or otherwise deal with or dispose of the Collateral or any part thereof on an instalment basis or otherwise and generally in such manner and upon such terms whatever as the Chargee may think fit;
- 6.1.2 exercise all of the powers set out in the LPA and in Schedule 1 to the Insolvency Act 1986 and any other powers the Chargee may have by law; and/or
- 6.1.3 in writing, appoint a Receiver over all or any part of the Collateral upon such terms as the Chargee shall think fit and remove the Receiver and appoint another in his place and exercise any or all of the powers which a Receiver could exercise.

6.2 If a Receiver is appointed he shall be the agent of the Chargor (which shall alone be personally liable for the Receiver's acts, defaults and remuneration) and, without prejudice to any other powers the Receiver may have by law (notwithstanding that he is or may not be an administrator or an administrative receiver), he shall have all the powers set out in the LPA and in Schedule 1 to the Insolvency Act 1986 and in addition shall have power:

- 6.2.1 to enter upon any premises necessary and to take possession of, collect, get in or realise all and any part of the Collateral and to take, enforce, defend or abandon any actions, suits and proceedings in the name of the Chargor or otherwise in relation to the Collateral as he or the Chargee shall think fit;
- 6.2.2 to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is a creditor of the Chargor in relation to the Collateral or any part thereof;
- 6.2.3 to assign, sell, lease, licence, grant options to sell, deal with or manage or concur in assigning, selling, leasing, licensing, granting options to sell, dealing with or managing of any Collateral and to vary, terminate or accept surrenders of leases or licences in respect of any of the Collateral in such manner and generally on such terms and conditions as he or the Chargee shall think fit and to carry any such transactions into effect in the name of and on behalf of the Chargor or otherwise;
- 6.2.4 to take any steps that may be necessary or desirable to effect compliance with all or any of the agreements hereby assigned;
- 6.2.5 to carry on, manage or concur in carrying on and managing the business of the Chargor solely in respect of the Project or any part thereof including, without limitation, to take over and complete the production of the Project;
- 6.2.6 to raise or borrow any money that may be required upon the security of the whole or any part of the Collateral or without such security upon such terms as the Chargee or he shall think fit;
- 6.2.7 to give valid receipts for all monies and execute all assurances and things which may be proper or desirable for the sole purpose of realising the Collateral;

- 6.2.8 to make any arrangement or compromise, pay any compensation or incur any obligation and enter into any contracts which he or the Chargee shall think expedient in the interests of the Chargee in respect of the Collateral;
- 6.2.9 in respect of the Collateral to do all such other acts and things as may be considered to be incidental or conducive to any of the matters or powers aforesaid and which he or the Chargee lawfully may or can do; and
- 6.2.10 to exercise all such other power and authority in relation to all or any part of the Collateral as he or the Chargee shall think fit to confer and so that he or the Chargee may in relation to all or any part of the Collateral exercise and confer any powers and authorities which it could exercise and confer if it had full title guarantee thereto.

Provided always that nothing herein contained shall make the Chargee liable to the Receiver in respect of his remuneration, costs, charges or expenses or otherwise for which together with the Receiver's acts, contracts, defaults and omissions the Chargor alone shall be liable.

- 6.3 The foregoing powers of sale and of appointing a Receiver shall be exercisable without any restrictions (such as but not limited to those contained in Sections 103 and 109 of the LPA) but subject always to the provisions of the Enterprise Act 2002 and the Insolvency Act 1986 (as amended).
- 6.4 The power to appoint a Receiver hereinbefore conferred shall be in addition to all statutory and other powers of the Chargee under the LPA to the extent the LPA may be relevant to the security hereby created and the Receiver shall have and be entitled to exercise all powers conferred under the LPA in the same way as if he had been duly appointed thereunder. Such power to appoint a Receiver herein or by statute conferred shall be and remain exercisable by the Chargee notwithstanding any prior appointment in respect of all or any part of the Collateral.
- 6.5 The Chargee or the Receiver may enforce the security created by this Deed in any order which the Chargee or the Receiver in its absolute discretion thinks fit.
- 6.6 The Chargee may appoint more than one Receiver and in such event any reference in this Deed to a Receiver shall apply to both or all of the Receivers so appointed and the appointment of Receivers so made shall be deemed to be a joint and several appointment and so that the rights, powers, duties and discretions vested in the Receivers so appointed may be exercised by them all jointly or severally by each of them.
- 6.7 The Chargee shall not, nor shall the Receiver, by reason of the Chargee or the Receiver entering into possession of the Collateral or any part thereof, be liable to account as mortgagee in possession or for any default or omission of any nature whatsoever for which a mortgagee in possession might be liable, or be liable for any loss or damage occasioned by or upon realisation or diminution in value happening in or about the exercise of any power conferred hereby or by statute and the Chargor shall have no right of action or claim against the Chargee on the grounds that a better price could or might have been obtained on any such realisation, sale or disposal. The Chargee and the Receiver shall be entitled to all the rights, powers, privileges and immunities conferred by statute on mortgagees and Receivers.
- 6.8 As and when the security created hereunder becomes enforceable by the Chargee, the Chargor declares that it will hold the Collateral (subject to the Chargor's rights of redemption) upon trust to convey, assign or otherwise deal with the same in such manner and to such person as the Chargee shall direct and declare that it shall be lawful for the Chargee by an instrument under its common

seal to appoint a new trustee or trustees of the Collateral and in particular, but without limitation, at any time or times to appoint a new trustee or trustees thereof in place of the Chargor.

- 6.9 The Chargee shall have the right at its complete discretion to give time or indulgence to or compound with and to make such other arrangement of whatsoever nature as it shall see fit with the Chargor or any other person, firm, company or other organisation without prejudice to the Chargor's liability hereunder or the Chargee's right and title to the Collateral and any monies received by the Chargee from any other person, firm, company or other organisation may be applied by the Chargee to any account or transaction of such persons or otherwise as the Chargee shall see fit.
- 6.10 At any time after the security created hereunder becomes enforceable or after any powers conferred by any Encumbrance having priority to the security shall have become exercisable, the Chargee may redeem such or any other prior encumbrance or procure the transfer thereof to itself and may settle and pass the accounts of the encumbrancer and any account so settled and passed shall be conclusive and binding on the Chargor and all monies paid by the Chargee to the encumbrancer in accordance with such accounts shall as from such payment be due from the Chargor to the Chargee and shall bear interest, fees, costs and charges owing hereunder.
- 6.11 At any time after the security created hereunder becomes enforceable the Chargee or a Receiver may (but shall not be obliged to) do all such things and incur all such expenditure as the Chargee or such Receiver shall in their sole discretion consider necessary or desirable to remedy such default or protect or realise the Collateral or its interests under this Deed and in particular (but without limitation) may pay any monies which may be payable in respect of any of the Collateral and any monies expended in so doing by the Chargee or Receiver shall be deemed an expense properly incurred and shall be recoverable from the Collateral.
- 6.12 Any monies obtained by the Chargee or by a Receiver appointed hereunder whether by sale of any of the Collateral or otherwise shall be applied:
- 6.12.1 first, in payment of all costs and expenses incurred and incidental to the powers conferred on the Chargee or the Receiver hereunder; and
- 6.12.2 second, in or towards satisfaction of the Secured Obligations (in accordance with the terms of the Loan Agreement).
- 6.13 Following the occurrence of a Default, all monies received, recovered or realised by the Chargee under this Deed may at the sole discretion of the Chargee be credited by the Chargee to any suspense or impersonal account pending the application from time to time of such monies and accrued interest thereon in or towards the discharge of any of the Debt.
- 6.14 Prior to the security created by this Charge becoming enforceable (a) the Chargee may exercise any discretions, options, remedies and other rights of whatever nature assigned or charged to it pursuant to this Charge (including such discretions, options, remedies and other rights of whatever nature assigned or charged to the Chargor pursuant to the Dreadnought Security) as if it were the sole and absolute beneficial owner of the same; and (b) to the extent that the Chargee considers it necessary to issue legal proceedings to enforce any such discretion, option, remedy or other right against the relevant counterparty, the Chargor irrevocably consents to the use of its name in any legal proceeding and agrees to be joined as a party to the same if reasonably required by the Chargee.

7 Protection of Third Parties

- 7.1 No purchaser, mortgagee or other third party dealing with the Chargee and/or Receiver or other person dealing with the Chargee and/or Receiver shall be concerned to enquire whether any of the powers which the Chargee or the Receiver has exercised or purported to exercise has arisen or become exercisable or whether the security created hereunder has become enforceable, the Secured Obligations have been performed or as to the propriety or validity of the exercise or purported exercise of any such power or to see to the application of any money paid to the Chargor or such Receiver or otherwise as to the propriety or regularity or any other dealing by the Chargee or the Receiver and in the absence of bad faith on the part of such third party, such dealing shall be deemed to be within the powers conferred hereunder and to be valid and effectual accordingly and the title of a purchaser and the position of such a person shall not be prejudiced by reference to any of those matters.
- 7.2 The receipt of the Chargee or the Receiver shall be an absolute and conclusive discharge to a purchaser and shall relieve such person of any obligation to see to the application of any sums paid to or by the direction of the Chargee or the Receiver.

8 Warranties and Undertakings of the Chargor

- 8.1 The Chargor warrants, undertakes and agrees with the Chargee as follows:-
- 8.1.1 to the best of its knowledge, all statements herein whether as to matters of fact or law are true;
 - 8.1.2 it is a company duly incorporated and validly existing in good standing under and by virtue of the laws of England and Wales;
 - 8.1.3 it is not deemed to be unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986;
 - 8.1.4 save for the Permitted Security the Collateral is and shall be free from all Encumbrances;
 - 8.1.5 the memorandum and articles of association of the Chargor include provisions which give the Chargor all necessary corporate power and authority to own its assets, to carry on its business as it is now being conducted and the Chargor is duly qualified to do business in all jurisdictions and to enter into and perform the Relevant Agreements to which it is a party and it has the full capacity to enter into this Deed and all other agreements and documents required hereunder and has the full capacity to charge and assign to the Chargee the Collateral and it has taken all corporate or other action necessary to authorise the execution, delivery and performance of the Relevant Agreements to which it is a party;
 - 8.1.6 to the best of its knowledge and belief there are no proceedings, claims or litigation current, pending or threatened which shall adversely affect the distribution and exploitation of the Project or the production completion and delivery of the Project or would adversely affect the ability of the Chargor to observe or perform its obligations under the Relevant Agreements to which it is a party;
 - 8.1.7 this Deed constitutes (or will, when executed, constitute) the legal, valid and binding obligations of the Chargor enforceable in accordance with its terms;

- 8.1.8 all consents, authorisations, approvals, licences, exemptions, filings, registrations, notarisations and other requirements of governmental, judicial and public bodies and authorities required or advisable in connection with the execution, delivery, performance, validity, admissibility in evidence and enforceability of the Relevant Agreements to which it is a party have been obtained or effected (or, in the case of registrations, will be effected within any applicable required period) and (if obtained or effected) are in full force and effect; there has been no default in the performance of any of their terms or conditions;
- 8.1.9 the execution, delivery and performance of Relevant Agreements to which it is a party does not and will not violate in any respect any provision of (i) any law judgment, regulation, treaty, convention, decree, order or consent to which the Chargor is subject or by which the Chargor, the Collateral, or any material part of its assets or business is bound or affected, or (ii) the constitutional documents of the Chargor, or (iii) any charge, indenture, agreement or other instrument to which the Chargor is a party or which is binding on it or any of its assets, and do not and will not result in the creation or imposition of any Encumbrance on its assets in accordance with any agreement or instrument (other than this Deed); and
- 8.1.10 no event has occurred which constitutes a default under or in respect of any law, or of any agreement or instrument to which the Chargor is a party or by which the Chargor or its assets may be bound (including, inter alia, the Relevant Agreements to which it is a party) and no event has occurred which, with the giving of notice, or the passing of time or on any other condition being satisfied or determination being made would be likely to constitute a default under or in respect of any law or agreement which is likely either to have a material adverse effect on the assets, financial condition, prospects or operations of the Chargor or materially and adversely affect its ability to observe or perform its obligations under this Deed.
- 8.2 The Chargor hereby covenants and undertakes with the Chargee that it will:-
- 8.2.1 at all times comply with the terms (express or implied) of this Deed and the Relevant Agreements to which it is a party;
- 8.2.2 remain liable under the contracts and agreements charged or assigned hereunder to perform all the obligations assumed by it thereunder;
- 8.2.3 not require the Chargee to enforce any term of any of the said contracts and agreements against any party (it being acknowledged that in no circumstances shall the Chargee have any obligation so to enforce);
- 8.2.4 notify the Chargee of any default under the said agreements to which it is a party and of which it becomes aware;
- 8.2.5 upon the request of the Chargee give written notice (in such form and to such persons as the Chargee may require) of the security hereby created;
- 8.2.6 from time to time promptly when required produce to the Chargee evidence sufficient to satisfy the Chargee that the Chargor has at all relevant times complied with the provisions of this Deed and the Relevant Agreements to which it is a party and such information concerning the business and affairs of the Chargor relating to the Project, its property, assets and liabilities relating to the Project as the Chargee may reasonably require;

- 8.2.7 at the Chargee's expense, execute financing statements under Uniform Commercial Codes of such states or counties in the United States of America as the Chargee may consider appropriate to perfect or protect the Chargee's security hereunder promptly following request by the Chargee;
- 8.2.8 not without the prior written consent of the Chargee to sell, transfer, dispose of or part with possession or control of or attempt to sell, transfer or dispose of the Collateral or any part of it or any interest in it;
- 8.2.9 immediately upon becoming aware of the same notify the Chargee of any material loss, theft, damage or destruction of the Collateral or any part of it;
- 8.2.10 not to allow any counterclaim or set-off or other equity in respect of any sum payable in relation to the Relevant Agreements, the Project and/or rights in the Project;
- 8.2.11 ensure that at all times its liabilities under the Relevant Agreements to which it is a party will be and remain the direct, general and unconditional liabilities of the Chargor, and will rank at least pari passu with all its other present and future unsecured and unsubordinated liabilities, with the exception of any liabilities which are mandatorily preferred by law and not by any charge;
- 8.2.12 immediately on becoming aware of the same, the Chargor shall notify the Chargee in writing of the occurrence of any Default and at the same time inform the Chargee of any action taken or proposed to be taken in connection with it;
- 8.2.13 immediately upon becoming aware of the same, the Chargor shall promptly give notice in writing to the Chargee of any litigation, arbitration or administrative or other proceeding before or of any judicial, administrative, governmental or other authority or arbitrator, of any dispute with any governmental regulatory body or law enforcement authority, of any labour dispute or of any other event which has or may have a material adverse effect on its assets or prospects;
- 8.2.14 not, without the prior written consent of the Chargee change the nature of its business;
- 8.3 The Chargor hereby repeats in favour of the Chargee the warranties, representations, undertakings and covenants set out in the Loan Agreement as if the same were set forth and incorporated herein as part of these presents.
- 8.4 The representations and warranties in this Clause 8 will be deemed to be repeated with reference to the facts and circumstances then subsisting as of each day on which any obligations are owing by the Chargor to the Chargee under the Loan Agreement.

9 Indemnity

The Chargor hereby agrees to indemnify and hold harmless the Chargee and any Receiver from and against all actions, claims, proceedings, expenses, demands and liabilities now or hereafter brought against or incurred by either or both of them, or against or by any person for whose act or omission either or both of them may be liable, resulting from any breach or non-observance by the Chargor of any of the provisions of this Deed or any failure to perform the Secured Obligations or any payment in respect of the provisions of this Deed or in respect of the Secured Obligations being set aside or declared void for any reason. The Chargee shall be entitled so to indemnify and hold harmless the Receiver on behalf of the Chargor which shall reimburse the Chargee

accordingly. The Chargor's liability to the Chargee under the first or second sentences hereof shall form part of the Secured Obligations.

10 Undertaking for Reassignment

Upon fulfilment of the Secured Obligations pursuant to the Loan Agreement and/or this Deed and the Chargee being released from any obligation to advance further sums under the Loan Agreement, the Chargee will at the Chargor's request and expense:-

- (a) reassign to the Chargor, or as it may direct, the rights and benefits that the Chargor has assigned to the Chargee as security;
- (b) release the Collateral charged pursuant to Clause 4; and
- (c) upon written request and at the Chargor's expense execute and deliver to the Chargor all documents and instruments reasonably required or desirable to effect the said reassignment and release.

11 Nature of the Security

- 11.1 This Deed is a continuing security and shall remain in force notwithstanding any intermediate payment or settlement of account or other act, omission or matter whatsoever which but for this provision might operate to release or otherwise exonerate the Chargor from its obligations hereunder or affect such obligations or release or diminish the security conferred hereunder and is in addition to and shall not merge into or otherwise prejudice or affect any guarantee, Encumbrance or other right or remedy now or hereafter held by or available to the Chargee and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by the Chargee now or hereafter dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of the same or any right which the Chargee may now or hereafter have or giving time for payment or indulgence or compounding with any other person.
- 11.2 The security created by this Deed is in addition to, and shall not be merged into, or in any way prejudice any other security interest, charge, document or right which the Chargee may now or at any time hereafter hold or have as regards the Chargor or any other person, firm or corporation in respect of the Collateral and shall not in any way be prejudiced or affected thereby or by the invalidity thereof or by the Chargee now or hereafter dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of the same or any rights which it now or hereafter has and this security shall remain in full force and effect as a continuing security unless and until the Chargee shall release and discharge this Deed in accordance with Clause 10.
- 11.3 The rights granted to the Chargee hereunder are in addition to, and in no way limit or restrict, the rights granted to Chargee in the Loan Agreement.
- 11.4 The exercise by the Chargee of its rights under this Deed shall in no way affect or be in substitution for such other legal or equitable rights and remedies as the Chargee may have against the Chargor or any third party.

12 Grant of Time or Indulgence

The security created by this Deed shall not be affected or prejudiced in any way by the Chargee giving time or granting any indulgence or accepting any compromise from or compounding with or making any other arrangement with the Chargor or any other person, firm or company in respect of the Secured Obligations.

13 Further Assurance

- 13.1 The Chargor hereby undertakes and covenants to the Chargee at the Chargee's request and expense to do all such further acts and execute all such further documents and instruments as the Chargee may from time to time require to vest in or further assure to the Chargee the rights expressed to be assigned and granted to the Chargee under this Deed and for the protection and enforcement of the security hereby created.
- 13.2 Subject to the occurrence of a Default, the Chargor hereby irrevocably and by way of security appoints the Chargee and, if any Receiver shall be appointed, the Chargee and the Receiver jointly and severally, the attorney or attorneys of the Chargor and in its name and on its behalf to sign, execute and deliver all deeds and documents and to do all acts and things which the Chargee may require or deem appropriate for the purpose of realising this security. The Chargor hereby acknowledges that such appointment shall be coupled with an interest and shall be irrevocable. The Chargee shall promptly deliver to the Chargor a copy of each deed or document signed or executed under this power of attorney.
- 13.3 This appointment shall operate as a general power of attorney made under Section 10 of the Powers of Attorney Act 1971. This power of attorney shall terminate without further notice on the release and discharge of this Deed pursuant to Clause 10 hereof.

14 Notice of Default

The Chargor shall give written notice to the Chargee of the occurrence of any Default as soon as such occurrence becomes known to the Chargor.

15 General

- 15.1 Any re-assignment, release, settlement or discharge between the Chargor and the Chargee shall be conditional upon no security or payment made or given to the Chargee being avoided, reduced, set aside or rendered unenforceable by virtue of any provision or enactment now or hereafter in force relating to bankruptcy, insolvency or liquidation and if any such security or payment shall be avoided, reduced, set aside or rendered unenforceable the Chargee shall be entitled to recover the full amount or value of any such security or payment from the Chargor and otherwise to enforce this Deed as if such re-assignment, release, settlement or discharge had not taken place.
- 15.2 This Deed shall remain the property of the Chargee notwithstanding any release or discharge or purported release or discharge hereof.
- 15.3 No failure or delay by the Chargee in exercising any right, power or privilege under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise by the Chargee of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.
- 15.4 Any release, settlement or discharge between the Chargor and the Chargee shall be conditional upon no security or payment made or given to the Chargee being avoided, reduced, set aside or rendered unenforceable by virtue of any provision or enactment now or hereafter in force relating to bankruptcy, insolvency or liquidation and if any such security or payment shall be avoided, reduced, set aside or rendered unenforceable the Chargee shall be entitled to recover the full amount or value of any such security or payment from the Chargor and otherwise to enforce this Deed as if such release, settlement or discharge had not taken place.

16 Assignment

The Chargee shall be entitled to charge, sub-charge, license, transfer, assign or otherwise grant security over or deal with all or any of the rights assigned and granted to it hereunder (including the benefit of any warranties, undertakings, representations and indemnities) to any third party, including by way of the Permitted Security. The Chargor shall not assign any or all part of its rights and benefits hereunder to any third party without the prior written consent of the Chargee.

17 Partial Unenforceability

If any clause or any part of this Deed or the application thereof to either party shall for any reason be adjudged by any court or other legal authority of competent jurisdiction to be invalid, such judgment shall not affect the remainder of this Deed, which shall continue in full force and effect.

18 Notices

Any notices required to be given under the provisions of this Deed shall be in writing and in English and shall be deemed to have been duly served if hand delivered or sent by facsimile or other print-out communication mechanisms or, within the United Kingdom, by prepaid special or first-class post, or, outside the United Kingdom, by prepaid international courier, correctly addressed to the relevant party's address as specified in this Deed or to such other address as either party may hereafter designate from time to time in accordance with this clause together with a copy in the case of the Chargee to Production Manager (fax +44 207 319 4001) and a copy in the case of the Chargor to 15 Golden Square, London W1F 9JG (Attention: Media Division – Legal and Business Affairs, fax: +44 207 319 4001), and any notice so given shall be deemed to have been served (unless actually received at an earlier time in which case the time of service shall be the time of such actual receipt):

18.1 If hand delivered, at the time of delivery;

18.2 If sent by facsimile or other print-out communication mechanisms, at completion of transmission if during business hours at its destination, or at the opening of business on the next business day if not during business hours (and for this purpose "business hours" means between 09:00 and 17:30 and "business day" means Monday to Friday, excluding bank or other public holidays in the country of the addressee) but subject to proof by the sender that it holds an answerback or automatic printout confirming successful transmission in readable form and in the case of facsimile and other print-out communication mechanisms, to proof by the sender that it holds a transmission report indicating uninterrupted transmission to the addressee; and

18.3 If sent by prepaid post as aforesaid, forty-eight (48) hours after posting (exclusive of the hours of Sunday), if posted to an address within the country of posting, and three (3) days after posting if posted to an address outside the country of posting.

19 No Waiver

No failure or delay on the part of the Chargee or the Chargor in exercising any right, title, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any other right, power or remedy hereunder. The remedies herein provided are cumulative and not exclusive of any remedies in law.

20 Governing Law

This Deed (including any non-contractual matters arising out of or in connection with it) shall be construed and performed in all respects in accordance with, and shall be governed by, the laws of England and the parties irrevocably submit to the non-exclusive jurisdiction of the English courts.

21 Clause Headings

The clause headings in this Deed are for the convenience of the parties only and shall not limit, govern or otherwise affect its interpretation in any way.

22 Counterparts

This Deed may be executed in any number of counterparts and on separate counterparts, and each counterpart shall when executed constitute an original of this Deed and together all such counterparts shall constitute one and the same document. Executed copies of the signature pages of this Deed sent by facsimile or transmitted electronically in either Tagged Image File Format (TIFF) or Portable Document Format (PDF) shall be treated as originals, fully binding and with full legal force and effect, and the parties waive any rights they may have to object to such treatment. The Chargor shall provide its original ink signatures to the Chargee as quickly as practicable after execution of this Deed.

SCHEDULE 1

Definitions

Affiliates means, in relation to any person, another person that is directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such person (for which purpose, control means ownership of more than 50 per cent. of the voting shares, having the right to appoint more than half the members of the board or otherwise having the right to direct the affairs of the controlled person) or otherwise a Subsidiary or a Holding Company of that person or any other Subsidiary of that Holding Company;

Affiliates means **Collateral** means the property, assets and interests (whether present or future) charged or assigned or each or any of them or part thereof pursuant to the terms of this Deed in favour of the Chargee and all other property and assets which at any time are or are required to be charged in favour of the Chargee under this Deed;

CD Security means the security agreements dated on or about the date hereof between the Commissioning Distributor as chargor and Dreadnought as chargee in connection with the Project;

Commissioning Distributor means Honest Thief Productions, LLC, a limited liability company organised under the laws of the State of California whose principal place of business is 226 West Ojai Avenue, #101-331, Ojai, CA 93023, USA;

Completion Guarantee means the guarantee of completion and delivery of the Project dated on or about the date hereof between, amongst others, the Completion Guarantor and the Chargor;

Completion Guarantor means Film Finances, Inc. of 9000 Sunset Boulevard, Suite 1400, Los Angeles, California 90069;

DACA means the Deposit Account Control Agreement between, amongst others, the PSC, the Lender, the Borrower, the Completion Guarantor and SMP dated on or about the date hereof;

Deed means this Deed of Security Assignment and Charge;

Distribution Agreements means the Sales Agency Agreement and those agreements granting distribution rights in respect of the Project as set out in Schedule 5 of the Loan Agreement;

Dreadnought means Dreadnought Films Limited (Company Number: 09363385), a limited liability company incorporated in England and Wales whose registered office is at 15 Golden Square, London W1F 9JG;

Dreadnought Loan Agreement means the loan agreement dated on or about the date hereof between Dreadnought as borrower and the Borrower as lender in connection with the Project;

Dreadnought Security means the deed of security assignment and charge dated on or about the date hereof between Dreadnought as chargor and the Borrower as chargee in connection with the Project;

Encumbrance means any mortgage, charge, assignment by way of security, pledge, hypothecation, lien, right of set-off, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or any other security interest of any kind whatsoever, or any

agreement, whether conditional or otherwise, to create any of the same, or any agreement to sell or otherwise dispose of any asset on terms whereby such asset is or may be leased to or re-acquired or acquired by the Chargor;

Intermediary Licensor means Film & TV House Limited, Gem Entertainment Kft. and any other intermediary licensor the Commissioning Distributor may appoint (whether directly or indirectly) in relation to the onward distribution of the Project in the Territory by such entity;

Intermediary Licensor Securities means the security agreements dated on or about the date hereof in relation to the Project between each Intermediary Licensor as chargor and Dreadnought as chargee;

Interparty Agreement means the interparty agreement for the Project dated on or about the date hereof between, amongst others, the Borrower, the Commissioning Distributor, the Lender, the PSC, the Sales Agent and the Completion Guarantor;

Licensee means the Sales Agent, each Intermediary Licensor and each party to a Distribution Agreement;

Loan Agreement means the loan agreement dated on or about the date hereof between the Chargor and Chargee in respect of the Project and any amendments to the same;

Massachusetts Tax Credit means all transferable tax credits and/or rebates earned or to be earned in connection with the Project pursuant to the Massachusetts Tax Credit Law and the Massachusetts Tax Credit Certificate and any other documentation related to such tax credit;

Massachusetts Tax Credit Account has the meaning given to it in the Dreadnought Loan Agreement;

Massachusetts Tax Credit Amount means the total Massachusetts Tax Credit payable in respect of the Project;

Massachusetts Tax Credit Application means the application submitted by the PSC for the Massachusetts Tax Credit in relation to the Project;

Massachusetts Tax Credit Certificate means the certificates/certification letter issued in respect of the Massachusetts Tax Credit for the Project;

Massachusetts Tax Credit Collateral means the Massachusetts Tax Credit, the Massachusetts Tax Credit Amount, the Massachusetts Tax Credit Rights, the Massachusetts Tax Credit Purchase Agreements and any account into which the Massachusetts Tax Credit Amount is received by the PSC or any other party, including, without limitation, the Massachusetts Tax Credit Account;

Massachusetts Tax Credit Documentation means the Massachusetts Tax Credit Application, the Massachusetts Tax Credit Undertakings, the Massachusetts Tax Credit POA, the Massachusetts Tax Credit Opinion, the Massachusetts Tax Credit Purchase Agreement and any other document referred to therein or required and agreed by Dreadnought and/or the PSC and/or the Commissioning Distributor in relation to the Massachusetts Tax Credit for the Project and the payment of the Massachusetts Tax Credit Receipts;

Massachusetts Tax Credit Estimate has the meaning given to it in the Dreadnought Loan Agreement;

Massachusetts Tax Credit Law means Massachusetts General Laws, Chapter 62, § 6(l), Chapter 63, § 38X and Chapter 64H, § 6 (ww), as amended, and in any regulations and guidelines adopted pursuant thereto;

Massachusetts Tax Credit Opinion has the meaning given to it in the Dreadnought Loan Agreement;

Massachusetts Tax Credit POA means the power of attorney granted to the Borrower in relation to the Massachusetts Tax Credit for the Project;

Massachusetts Tax Credit Purchase Agreement(s) means the agreement(s) between PSC and the persons or entities purchasing all or portions of the Massachusetts Tax Credit, including, without limitation, the agreement between PSC and U.S. Bank National Association dated on or about the date hereof;

Massachusetts Tax Credit Receipts means the actual amount of the Massachusetts Tax Credit for the Project, and the proceeds of sale(s) thereof pursuant to Massachusetts Tax Credit Purchase Agreements, if any, which are received and/or paid to the PSC;

Massachusetts Tax Credit Rights means PSC's and any other party's right in relation to the Project to claim and receive all proceeds from:

1. the Massachusetts Tax Credit Law as amended; or
2. any other similar credits granted by the State of Massachusetts;

Massachusetts Tax Credit Undertakings means the Project's individual producers' undertakings to Dreadnought in relation to the Massachusetts Tax Credit for the Project;

Notices of Assignment means the notices and acknowledgements of assignment entered into between, among others, Dreadnought, the Chargor and certain Licensees on or about the date hereof in respect of those certain Distribution Agreements in relation to the Project listed in Schedule 5 (Distribution Agreements) of the Loan Agreement;

Permitted Security means the Encumbrances created by this Deed and the Encumbrances to which the Chargee has given its written consent pursuant to the terms of any Relevant Agreement;

Project means the theatrical motion picture entitled "Honest Thief";

Project Receipts means all income received directly or indirectly by or on behalf of the Chargor or its Affiliates from any source of exploitation of the Project and all other sums due or payable to the Chargor in connection with the Project including, without limitation, any sums paid or payable in connection with the Distribution Agreements in respect of the Project;

PSC means Dreadnought HT, LLC., a limited liability company organized in Massachusetts whose registered office is at 20 Cook Street, Boston, MA 02129;

PSC Security means the security agreements dated on or about the date hereof between the PSC as chargor and Dreadnought as chargee in connection with the Project;

Receiver means any receiver or manager or administrative receiver;

Relevant Agreements means this Agreement, the Loan Agreement, the DACA, the Dreadnought Loan Agreement, the Dreadnought Security, the Distribution Agreements, the Notices of Assignment, the Massachusetts Tax Credit Documentation, the Interparty Agreement, the Completion Guarantee and any further documents described in Schedule 2 or contemplated in such documents;

Sales Agent means The Solution Entertainment Group, LLC of c/o 226 West Ojai Avenue, #101-331, Ojai, CA 93023, USA;

Sales Agency Agreement means the sales agency agreement in respect of the Project dated on or about the date of this Agreement between the Sales Agent and the Commissioning Distributor;

Secured Obligations means the Chargor's obligations set out in Clause 2;

SCHEDULE 2

1. Notices and acceptances of assignment and/or interparty agreements relating to the Project to which an Intermediary Licensor or any of the following (the **Presale Distributors**) are parties:


Benelux Film Investments BV
Metropolitan
Tele Munchen Group
Tanweer Alliances SA
Scanbox
Media Audiovisual
Top Film
Monolith International
Eagle Films Middle East LLC
Forum Film Ltd via GEM Ent
Blitz d.o.o
Fox
Estars
Tanweer Films FZ
PT Prima Cinema
Square Box
Pioneer Films
Sycomad
Media Film International
Global Media Distribution/ California
Times
Careyes LLC

2. Any other agreement at any time entered into by the Chargor relating to the Project.
3. As assigned to the Chargor pursuant to the Dreadnought Security:
 - (a) Any agreements (including any licensing agreements, distribution agreements and security agreements) relating to the Project to which Dreadnought is a party; and
 - (b) Any agreements (including any licensing agreements, distribution agreements and security agreements) relating to the Project assigned to Dreadnought pursuant to the CD Security, the PSC Security and the Intermediary Licensor Securities.



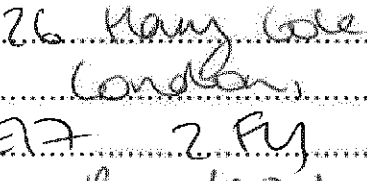

EXECUTION PAGE OF DEED OF SECURITY ASSIGNMENT AND CHARGE IN RESPECT OF "HONEST THIEF"

IN WITNESS whereof the Chargor and the Chargee have executed this instrument as a Deed the day, month and year first above written.

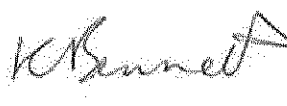
Executed and delivered as a deed by
Babber Films Limited
acting by its director or duly appointed Attorney

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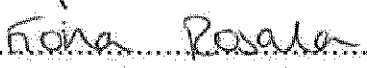
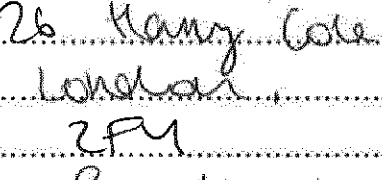
In the presence of:

Witness signature: 
Witness Name: 
Witness Address: 
Witness Occupation: 

Executed and delivered as a deed by
Ingenious Project Finance Limited
acting by its director or duly appointed Attorney

)
)
) 

In the presence of:

Witness signature: 
Witness Name: 
Witness Address: 
Witness Occupation: 