



Registration of a Charge

Company name: **ALTITUDE FILM ENTERTAINMENT LIMITED**

Company number: **07941329**



X78WBG57

Received for Electronic Filing: **26/06/2018**

Details of Charge

Date of creation: **22/06/2018**

Charge code: **0794 1329 0005**

Persons entitled: **HEAD GEAR FILMS FN LTD.**

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 SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

LEE AND THOMPSON LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7941329

Charge code: 0794 1329 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd June 2018 and created by ALTITUDE FILM ENTERTAINMENT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th June 2018 .

Given at Companies House, Cardiff on 28th June 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

DEBENTURE

Dated 22 June 2018

HEAD GEAR FILMS FN LTD. (1)

ALTITUDE FILM ENTERTAINMENT LIMITED (2)

ALTITUDE FILM DISTRIBUTION LIMITED (3)

and

ALTITUDE FILM SALES LIMITED (4)

THIS DEED is made on

22 June 2018

BY

- 1) **Head Gear Films FN Ltd.** (incorporated under the laws of Scotland, Company Number: SC313027) whose registered office is at The Metrol Centre, Kirkhill Place, Kirkhill Industrial Estate, Dyce, Aberdeen AB21 OGU, Scotland trading from Ashley House, 5th Floor, 12 Great Portland Street, London W1W 8QN, UK ("**Head Gear**");
- 2) **Altitude Film Entertainment Limited** (incorporated under the laws of England and Wales, Company Number: 07941329) whose registered office is at 34 Fouberts Place, London, W1F 7PX ("**AFEL**");
- 3) **Altitude Film Distribution Limited** (incorporated under the law of England and Wales, Company Number: 08969472) whose registered office is at 34 Fouberts Place, London, W1F 7PX ("**AFDL**"); and
- 4) **Altitude Film Sales Limited** (incorporated under the law of England and Wales, Company Number: 07941942) whose registered office is at 34 Fouberts Place, London, W1F 7PX ("**AFSL**", together with AFEL and AFDL, the "**Companies**").

BACKGROUND

- (A) Head Gear has agreed, pursuant to a loan agreement entered into on or about the date hereof (the **Loan Agreement**), to provide the Companies with loan facilities on a secured basis.
- (B) Under this Deed, the Companies provide security to Head Gear for the loan facilities made available under the Loan Agreement.

THIS DEED WITNESSES and it is agreed and declared as follows:

1. Interpretation

- 1.1. In this Deed unless the context requires otherwise the following expressions have the following meanings:

"**Company**" means any one or more of the Companies;

"**Guarantee**" means the guarantee set out in Clause 2;

"**Debts**" means all present and future book and other debts and other monies due, owing, payable or incurred to a Company and with the benefit of any guarantees indemnities or other assurances against financial loss affecting any of the same and the benefit of any present or future insurance policies (in so far as the same are not already assigned) and all proceeds thereof and all things in action which may give rise to any debt, revenue or claim and any other rights relating thereto including, without limitation, reservations of proprietary rights of trading and unpaid vendor's liens and associated rights;

"**Event of Default**" has the meaning given to it in the Loan Agreement;

“Insurance Policy”	means each contract and policy of insurance effected or maintained by the Companies from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Property or the machinery referred to in clause 3.1.2(b));
“Intellectual Property”	means all patents (including applications improvements prolongations extensions and rights to apply therefor) designs (whether registered or unregistered) copyrights design rights trade marks and service marks (whether registered or unregistered) utility models trade and business names know-how formulae inventions confidential information trade secrets and computer software programs and systems (including the benefit of any licences or consents relating to any of the above) and all fees royalties or other rights derived therefrom or incidental thereto in any part of the world;
“LPA”	means the Law of Property Act 1925;
“Loan”	shall have the meaning given to it in the Loan Agreement;
“Property”	means any freehold leasehold or immovable property now or at any time vested in or held by or on behalf of each Company together with in all cases all buildings structures fixtures and fittings (including trade fixtures and fittings but excluding, in the case of leasehold property, landlord’s fixtures) and fixed plant and machinery and all related spare parts fuels equipment and tools from time to time therein or thereon subject to and with the benefit of any lease tenancy agreement licence right covenant condition or encumbrance affecting the same at the date hereof;
“Rate”	shall have the meaning given to it in the Loan Agreement;
“Relevant Agreements”	this Deed and the Loan Agreement;
“Receiver”	means any receiver or receiver and manager appointed by Head Gear over all or any of the Security Assets pursuant to this Deed whether alone or jointly with any other person and includes any substitute for any of them appointed from time to time;
“Secured Liabilities”	means all monies, obligations and liabilities whatsoever owing from or due to be performed by the Companies under the Loan Agreement together with all costs, charges and expenses on a full indemnity basis incurred by Head Gear in the protection, preservation and enforcement of their rights in relation thereto;

“Securities”	means 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) both present and future held by the Companies in any person and includes all allotments rights benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property offered at any time by way of dividend conversion redemption bonus preference option or otherwise in respect thereof;
“Security Assets”	in respect of each Company, means all the undertaking and the assets rights and property of such Company which are the subject of any security created or purported to be created by this Deed and includes any part of or any interest in them; and
“Subsidiaries”	means each direct or indirect subsidiary of each Company from time to time and “Subsidiary” means any of them.

- 1.2. References to “this Deed” shall include any Deed expressed to be supplemental hereto and any other Deed executed or entered into pursuant to this Deed or any Deed supplemental hereto.
- 1.3. “Repayment” includes redemption and vice versa and the words “repay”, “redeem”, “repayable”, “redeemable”, “repaid” and “redeemed” shall be construed accordingly.
- 1.4. Words importing the singular only shall include the plural and vice versa; words importing the masculine gender shall include the feminine gender; and words importing persons shall include firms and corporations.
- 1.5. Subject as aforesaid and subject as hereinafter expressly defined, any words and expressions defined in the Companies Act 2006 shall bear the same respective meanings in this Deed.
- 1.6. References in this Deed to any statute or statutory provision are to that statute or provision as from time to time amended, extended or re-enacted.
- 1.7. Any references herein to a Clause or Schedule shall be to a clause or schedule of this Deed; and any reference to a sub-clause shall be to a sub-clause of the Clause in which the reference appears. This Deed includes the Schedule.

2. Covenant to Pay

The Companies hereby jointly and severally covenant and guarantee to Head Gear that each will, on demand, pay or discharge the Secured Liabilities as they fall due.

3. Security

- 3.1. Each Company, as a continuing security for the payment and discharge of the Secured Liabilities, with full title guarantee charges in favour of Head Gear:
 - 3.1.1. by way of legal mortgage all right title estate and other interests of the Company in the Property;

- 3.1.2. by way of fixed charge:
- (a) all right title estate and other interests of the Company in each Property not effectively mortgaged under Clause 3.1.1;
 - (b) such right, title and interest of the Company as it has to and in all plant and machinery now or at any time hereafter vested in or held by or on behalf of the Company and not charged in Clause 3.1.1 and all related spare parts fuels equipment and tools but excluding any plant and machinery for the time being forming part of the Company's stock in trade or work in progress;
 - (c) all rights in Intellectual Property or similar rights now or hereafter belonging to the Company;
 - (d) all present and future goodwill and uncalled capital for the time being of the Company;
 - (e) all the present and future right, title and interest of the Company in the Securities;
 - (f) all bills of exchange promissory notes and negotiable Deeds of any description now or at any time hereafter beneficially owned by the Company; and
 - (g) all the right, title and interest of the Company to and in the Debts and the benefit of all rights securities and guarantees of any nature whatsoever now or at any time enjoyed or held by the Company;
- 3.1.3. by way of floating charge all the undertaking and all the assets, rights and income of each Company both present and future not otherwise effectively mortgaged, charged or assigned under Clause 3.1.1 and 3.1.2.
- 3.2. As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:
- 3.2.1. all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and
 - 3.2.2. the benefit of each Relevant Agreement and the benefit of all other agreements, instruments and rights relating to the Secured Assets.
- 3.3. The charges created by Clause 3.1.1 and 3.1.2 shall constitute fixed charges. The charge created by Clause 3.1.3 shall be a floating charge unless and until it is converted into a fixed charge pursuant to Clause 4 or by operation of law.
- 3.4. The charges hereby created shall extend to and include all future dividends or interest paid or payable after the date hereof on any of the Securities, and to all rights, moneys or property accruing or offered at any time by way of redemption, conversion, substitution, bonus, preference, option or otherwise to or in respect of the Securities.

- 3.5. Until a demand has been made under the Guarantee each Company shall be entitled to exercise such voting and other rights vested in it as the holder of the Securities in such manner as it may wish.
- 3.6. Notwithstanding the fixed charge on Debts it is agreed that each Company's bankers from time to time:-
- 3.6.1. may continue to collect Deeds/credits payable to or endorsed in favour of the Company to its account with them;
 - 3.6.2. may permit the Company to draw against any existing credit balance and the proceeds of Deeds/credits collected from time to time and credited to its account with them;
 - 3.6.3. any rights of set-off which they may have in respect of credit balances held for the Company will not be affected by the debenture hereby created.
- 3.7. 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. Conversion of Floating Charge

- 4.1. Head Gear may, in its sole discretion, by written notice to the Companies, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by Head Gear in that notice if:
- 4.1.1. an Event of Default occurs and is continuing; or
 - 4.1.2. Head Gear considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 4.2. The floating charge created by this Deed shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:
- 4.2.1. either of the Companies:
 - (a) creates, or attempts to create, without the prior written consent of Head Gear, any security or trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Loan Agreement); or
 - (b) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
 - 4.2.2. any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
 - 4.2.3. a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of either of the Companies.
- 4.3. Any asset acquired by any of the Companies after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating

charge under this Deed, shall (unless Head Gear confirms otherwise to the Company which has acquired the asset in writing) be charged to Head Gear by way of first fixed charge.

5. Covenants

5.1. Each Company shall for so long as any of the Debt (as defined in the Loan Agreement) remains outstanding, except to the extent otherwise sanctioned by Head Gear:

- 5.1.1. conduct the business currently carried on by it in a proper and lawful manner;
- 5.1.2. keep proper books of account and records of all transactions entered into by it in the course of its business and of its assets and liabilities (including contingent liabilities) from time to time and permit any person nominated by Head Gear to investigate and report on its business and for that purpose at all reasonable times to inspect such books of account, records and other documents as they may reasonably request and shall also give to the person so nominated such further information and explanations as he may reasonably request;
- 5.1.3. supply to Head Gear copies of all accounts and notices of general meetings not later than the date on which the same are required by law or contract to be sent to its members and copies of any other circular to members forthwith upon its despatch to members;
- 5.1.4. notify Head Gear immediately of it becoming aware of the occurrence of any Event of Default;
- 5.1.5. supply such other information, financial or otherwise, as Head Gear may from time to time reasonably request regarding the affairs of the Company;
- 5.1.6. keep the Property (in so far as any leases require the same) and all other tangible Security Assets in good and substantial repair and in good working order and condition (fair wear and tear excepted) and to observe perform and comply with the restrictive and other covenants and stipulations affecting the Property or contained in any lease or tenancy agreement or otherwise affecting any of the Security Assets or their use or enjoyment;
- 5.1.7. not to do or permit any act or omission whereby any Security Asset may be surrendered or forfeited or the Company's interest or estate in or title to or the value thereof may be adversely affected;
- 5.1.8. duly and punctually pay or cause to be paid all existing and future rents, rates, taxes, charges, duties, assessments and other outgoings payable in respect of the Company's business property and assets;
- 5.1.9. not enter into onerous or restrictive obligations affecting the Security Assets or any part thereof or create or permit to arise any overriding interest or any easement or right whatsoever in or over them;
- 5.1.10. insure and keep insured, with reputable and responsible insurers approved by Head Gear such of the Security Assets as are of an insurable nature upon such terms as Head Gear may from time to time reasonably require;
- 5.1.11. comply and procure that its Subsidiaries comply in all material respects with the terms and conditions of the above insurance policies including without limitation any stipulations or restrictions as to use or operation of any asset and not to do or

(insofar as within its power to prevent the same) permit anything to be done which may make void or voidable any such insurance;

- 5.1.12. use its reasonable endeavours to detect any infringement of the Intellectual Property and if it shall become aware of such infringement promptly give Head Gear all information in its possession with regard thereto;
- 5.1.13. lodge all notices, complete all filings and registrations and do all other acts as may be necessary to ensure that the Intellectual Property to which the Company is or may become entitled is valid and subsisting and remains vested in the Company and take all such reasonable actions and proceedings as are necessary to protect such Intellectual Property and if any or all such Intellectual Property shall at any time become void lodge all notices and do all other acts as may be necessary to restore such Intellectual Property to the Company and in particular to pay all such fees as may be necessary;
- 5.1.14. notify Head Gear forthwith if a third party is in material breach of the terms of any Relevant Agreements and/or that notice has been given to terminate any of them or it is alleged or appears that any of them may be avoided or repudiated or be or become invalid or unenforceable and in any such case shall, at its own expense, take such action or institute such proceedings or execute such documents as Head Gear may reasonably require;
- 5.1.15. comply and procure that each of its Subsidiaries complies in all material respects with the provisions of all present or future statutes and every notice, order, direction, licence, consent or permission given or made thereunder and the requirements of any competent authority so far as any of the same shall relate to its assets or their user or anything done on the Property;
- 5.1.16. if Head Gear so requires, deposit with Head Gear all deeds and documents of title and all local land charges and land registry search certificates planning consents and the like relating to the Property, and the insurance policies relating thereto, and all certificates and other documents of title or evidence of ownership in relation to the Intellectual Property, and immediately following any Event of Default, shall execute and deliver to Head Gear all such transfers and other documents as may be necessary to enable Head Gear to be registered as the owner thereof or otherwise obtain legal title thereto and all other such documents relating to the Security Assets as Head Gear may require;
- 5.1.17. subject to the terms of any confidential invoice discounting agreements then in place on demand by Head Gear following an Event of Default execute a legal assignment of the Debts in such form as Head Gear may require and give notice thereof to the debtors from whom the Debts are owing or incurred and take such other steps as Head Gear may require to perfect such legal assignment;
- 5.1.18. subject to the terms of any confidential invoice discounting agreements then in place deal with such Debts in accordance with any directions from time to time given in writing by Head Gear and in default of and subject to any such directions deal with the same only in the ordinary and proper course of its trading business (and for this purpose the realisation of debts by means of block discounting, factoring or the like shall not be regarded as dealing in the ordinary and proper course of its trading business);
- 5.1.19. permit its banks to furnish directly to Head Gear from time to time upon request full statements and particulars of all the Company's accounts with such banks and

such other financial statements and information respecting the assets and liabilities of the Company as Head Gear may reasonably request;

- 5.1.20. duly and promptly pay all calls, instalments or other monies which may from time to time become due in respect of any of the Securities, it being acknowledged by the Company that Head Gear shall not in any circumstances incur any liability whatsoever in respect of any such calls instalments or other monies;
 - 5.1.21. forthwith upon request by Head Gear deposit with Head Gear all certificates or documents of title in respect of the Securities together with a duly executed Deed of transfer or an assignment (as appropriate) thereof in blank and it is agreed that Head Gear shall at any time be entitled to have all or any of the Securities registered in the name of Head Gear or of such nominees as Head Gear may select provided that, for so long as no Event of Default has occurred Head Gear will:
 - (a) hold all dividends interest and other monies paid on and received by them in respect of the Securities for the account of the Company and will pay such dividends, interest and other monies to the Company upon request; and
 - (b) exercise all voting and other rights and powers attached to the Securities as the Company may from time to time in writing reasonably direct provided that Head Gear shall be under no obligation to comply with any such direction where compliance would, in Head Gear's reasonable opinion, be prejudicial to the security hereby created;
 - 5.1.22. not acquire the whole or a substantial part of any other undertaking, other than the purchase of raw materials and stock in the normal course of business or other than any Subsidiaries;
 - 5.1.23. not make any major change in the nature of its business or the business of any of its Subsidiaries;
 - 5.1.24. not sell, transfer, assign or otherwise dispose of the whole of its undertaking or any part thereof which is fundamental to its business at the time of disposal thereof;
 - 5.1.25. not create any mortgages or charges on its assets other than charges in favour of its bankers or liens and charges arising in the ordinary course of business;
 - 5.1.26. not enter into any guarantee of obligations of any person or body or make a payment on behalf of a body or person other than in the ordinary course of business or on an arm's length basis;
 - 5.1.27. not declare or pay any dividend or make any distribution in respect of its share capital (other than any dividend declared or made in accordance with the Articles of Association of the Company);
 - 5.1.28. not enter into any transaction arrangement or agreement with or for the benefit of any director of the Company or any Subsidiary or any person connected with any such director within the meaning of Section 839 of the Income and Corporation Tax Act 1988 (other than service agreements for directors).
- 5.2. Each Company shall not (to the extent permitted by law) either before or after any enforcement of the security hereby created, do or permit any action (including without limitation, the issue of further shares or loan capital, the alteration of any rights attaching to

any shares or loan capital or the grant of any option or similar agreement to subscribe shares or loan capital or any change in group structure) which would be likely materially to prejudice the value of the security hereby created or the ability of Head Gear or any Receiver to realise the same.

- 5.3. Each Company shall on demand indemnify and keep Head Gear indemnified on a full indemnity basis in respect of all actions, proceedings, demands, costs and expenses occasioned by any breach of any of its covenants or other obligations under this Deed together with interest on any such sum which is not paid on demand at the rate of 3 per cent above the base rate from time to time of Barclays Bank plc from the date of payment by Head Gear until repayment whether before or after judgment and any costs, damages, expenses and other liabilities incurred or sustained by Head Gear by reason of any such breach shall be charged on the Security Assets.
- 5.4. The Secured Liabilities shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of Section 101 of the LPA immediately on the execution of this Deed and Section 103 of the LPA (restricting the power of sale) (provided that Head Gear shall not exercise the power of sale until payment of all or any part of the Secured Liabilities has been demanded pursuant to the terms of this Deed) Section 109 of the LPA (restricting the power to appoint a receiver) and Section 93 of the LPA (restricting the right of consolidation) shall not apply to this Deed.

6. When Security Becomes Enforceable

- 6.1. The security constituted hereby shall become immediately enforceable upon any of the Secured Liabilities not being paid in full when due or upon the occurrence of an Event of Default (whilst the same is continuing uncorrected) and the power of sale and other powers conferred by Section 101 of the Law of Property Act, 1925 as varied or amended by this Deed shall be immediately exercisable upon and at any time thereafter.
- 6.2. After the security constituted hereby has become enforceable, Head Gear may in its absolute discretion enforce all or any part of such security in such manner as it sees fit.

7. Enforcement of security

- 7.1. At any time after the security constituted by this Deed has become enforceable, or if any Company so requests in writing at any time, Head Gear may without further notice to that Company appoint by writing under hand of a duly authorised officer or under seal any one or more persons qualified to act as a Receiver, under the Insolvency Act 1986 either singly, jointly, severally or jointly and severally to be a Receiver of all or any part of the Security Assets and either at the time of appointment or at any time thereafter may fix his or their remuneration and except as otherwise required by statute may remove any such Receiver and appoint another or others in his or their place.
- 7.2. Any Receiver whether appointed solely or jointly may exercise all the powers conferred on mortgagees by the LPA (as varied or extended by this Deed) all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the powers conferred by this Deed and in addition shall have power to do the following:
- 7.2.1. enter upon, take possession of, collect and get in the Security Assets in respect of which he may be appointed or any part of them and to collect and get in all rents and other income whether accrued before or after the date of his appointment and

for those purposes to make such demands and take such proceedings as may seem expedient and to take possession of the Security Assets;

- 7.2.2. comply with and perform all or any of the acts, matters, omissions or things covenanted to be done or omitted by the Company under this Deed;
- 7.2.3. carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Company or any part thereof in such manner as he shall in his discretion think fit (including without prejudice to the generality of the foregoing to purchase supplies and materials);
- 7.2.4. sell by public auction or private contract or let all or any part of the Security Assets and to let on hire, lease surrender and accept surrenders of leases and tenancies, grant rights, licences, options or easements or exchange all or any part of, and otherwise deal with or dispose of and exercise all rights, powers and discretions incidental to the ownership of, any of the Security Assets in the name of and on behalf of the Company or otherwise or concur in doing any of the foregoing in such manner and generally on such terms and conditions and for such consideration (whether in cash debentures or other obligations, shares, stocks, securities or other valuable consideration and whether payable by a lump sum or by instalments) as he may think fit and carry out any such sale by conveying by deed or transferring in the name and on behalf of the Company or otherwise, and so that plant machinery and other fixtures and fittings may be severed and sold separately from the premises containing them, and the Receiver may apportion any rent and the performance of any obligations;
- 7.2.5. repair, decorate, furnish, maintain, alter, improve, renew or add to the Security Assets or any part of them as he shall think fit and effect, maintain, renew or increase indemnity insurance and other insurances and obtain bonds;
- 7.2.6. appoint or dismiss managers, agents, officers, employees, servants, builders or workmen and employ professional advisers and others at such salaries or for such remuneration as he may think fit;
- 7.2.7. perform, repudiate, rescind, vary or enter into any arrangement or compromise any contracts or agreements which he may consider expedient;
- 7.2.8. settle, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the business of the Company or any of the Security Assets or in any way relating to the security constituted by this Deed and bring, prosecute, defend, enforce, compromise, submit to and discontinue any actions, suits, arbitrations or proceedings whatsoever whether civil or criminal;
- 7.2.9. enter into complete disclaim abandon or disregard determine or rectify all or any of the outstanding contracts or arrangements of the Company and allow time for payment of any debts either with or without security;
- 7.2.10. make calls upon the shareholders of the Company in respect of any capital of the Company which may be uncalled;
- 7.2.11. use the name of the Company in the exercise of all or any of the powers conferred by this Deed;

- 7.2.12. exercise or permit the Company or any nominee of the Company to exercise any powers or rights incidental to the ownership of the Security Assets on such terms and conditions as he may think fit;
 - 7.2.13. form a Subsidiary of the Company and transfer lease or licence to any such Subsidiary or any other person all or any part of the Security Assets on such terms and conditions as he may think fit;
 - 7.2.14. in the exercise of any of the powers authorities and discretions conferred on him in this Deed or for any other purpose to raise and borrow money either unsecured or secured and either in priority to, pari passu with or subsequent to the security constituted by this Deed and generally on such terms and conditions as he may think fit;
 - 7.2.15. give valid receipts for all monies and execute all discharges assurances and things which may be proper or desirable for realising the Security Assets or any part of them; and
 - 7.2.16. execute and do all such other acts things and deeds as he may consider necessary or desirable for realising or preserving the Security Assets or any part of them or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Deed or otherwise and exercise in relation to the Security Assets or any part of them all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of them.
- 7.3. Any Receiver appointed under this Deed whether acting solely or jointly shall be deemed to be the agent of the applicable Company and to be in the same position as a receiver appointed under the LPA and the Company shall be solely responsible for his acts, omissions, defaults, losses and misconduct and for his remuneration and Head Gear shall not be in any way liable or responsible either to the Company or to any other person whatsoever for any of them.
- 7.4. If more than one Receiver is appointed each of them shall be entitled to exercise individually all of the powers given to a Receiver under this Deed in relation to any of the Security Assets in respect of which he has been appointed unless Head Gear shall state otherwise in the document appointing him.
- 8. Protection of third parties**
- 8.1. No purchaser, mortgagee or person dealing with the Receiver or Head Gear shall be concerned to enquire whether any power exercised or purported to be exercised hereunder has become exercisable or as to the propriety or regularity of the exercise of any power hereunder; or whether any money remains due on the security of this Deed; or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made; or to see to the application of any money paid to, borrowed or raised by the Receiver or Head Gear, or any attorney, or agent; and, in the absence of bad faith on the part of such third party, such dealing shall be deemed, so far as regards his safety and protection, to be within the powers hereby conferred and the remedy of the Company in respect of any impropriety or irregularity whatsoever in the exercise of such powers shall be in damages.
- 8.2. Upon any dealing under any of the provisions of this Deed, the receipt of the Receiver or Head Gear for the purchase money of the Security Assets sold and for any other moneys paid to them or him shall effectually discharge the purchaser or person paying the same.

9. Proceeds of realisation

- 9.1. Head Gear or a Receiver shall hold the moneys arising from any exercise of their powers under this Deed upon trust (subject to any prior or pari passu ranking claim thereon) to apply the same for the following purposes to the following order of priority but without prejudice to the right of Head Gear to recover the shortfall from the applicable Company:-
- 9.1.1. in payment or satisfaction of the costs, expenses and liabilities incurred in or about the execution of such powers or otherwise in relation to this Deed, including the remuneration of the Receiver;
 - 9.1.2. in or towards payment to Head Gear of the entirety of the Debt and all amounts due but unpaid pursuant to this Deed; and then
 - 9.1.3. in the payment of any surplus of such moneys to the Company or other person or persons for the time being entitled thereto in priority to the Company.
- 9.2. The Receiver shall give not less than 7 days' notice of the day, place and time for any payment to Head Gear under this Clause and after the day so fixed Head Gear shall be entitled to interest on the balance only (if any) of the principal moneys due on the Loan after deducting the amount (if any) of such principal moneys paid on the day so fixed.
- 9.3. Head Gear or any Receiver may credit any monies to a suspense account for so long and in such manner as Head Gear or any Receiver may from time to time determine and the Receiver may retain the same for such period as the Receiver and Head Gear consider expedient.

10. Entry into Possession

- 10.1. If Head Gear or any Receiver shall enter into possession of the Security Assets or any part of them they or he may from time to time and at any time go out of such possession. Neither Head Gear nor any Receiver shall in any circumstances be liable to account to the Company for anything except its or his actual receipts or be liable to the Company for any loss or damage arising from any realisation of the Security Assets or any part of them or from any act default or omission in relation to the Security Assets or any part of them.
- 10.2. At any time after an Event of Default or if requested by the Company, Head Gear may without further notice and without first appointing a Receiver exercise all or any of the powers conferred on mortgagees by the LPA as varied or extended by this Deed and all the powers authorities and discretions conferred expressly or by implication on any Receiver in this Deed or conferred by statute or common law.

11. Discharge of Security

- 11.1. The security constituted by this Deed shall be continuing and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Liabilities and shall be binding until all the Secured Liabilities have been discharged in full to the satisfaction of Head Gear.

12. Further assurance; power of attorney

- 12.1. Each Company shall from time to time and at all times execute and do all such assurances, consents, acts and things as Head Gear or the Receiver may require for perfecting the

security intended to be created by this Deed and (after the security constituted by this Deed has become enforceable) for facilitating or effecting any dealings by Head Gear or the Receiver under this Deed facilitating the realisation of the Securities and for exercising all the powers, authorities and discretions conferred on Head Gear or the Receiver by this Deed.

- 12.2. Each Company hereby irrevocably and by way of security appoints any Receiver to be its attorney and in its name and on its behalf to execute and do all assurances, acts and things which it ought to execute and do under the terms of this Deed and generally to use its name in the execution of all or any of the powers conferred by this Deed on the Receiver or Head Gear.

13. Costs

- 13.1. Each Company shall on demand and on a full indemnity basis pay to Head Gear the amount of all costs and expenses (including legal and out-of-pocket expenses and any Value Added Tax on such costs and expenses) which Head Gear incurs in connection with:

- 13.1.1. any actual or proposed amendment of or waiver or consent under or in connection with this Deed;
- 13.1.2. any discharge or release of this Deed;
- 13.1.3. the preservation or exercise (or attempted preservation or exercise) of any rights under or in connection with and the enforcement (or attempted enforcement) of this Deed;

together with, in the case of clause 13.1.3 only, interest thereon at the Rate (as defined in the Loan Agreement) from the earlier of the date of demand and the date of payment by Head Gear until the date of payment by the Company whether before or after judgment.

14. Indemnity

Head Gear and every Receiver, attorney, manager, agent or other person appointed by Head Gear under this Deed and their respective employees shall be entitled to be indemnified on a full indemnity basis out of the Security Assets in respect of all liabilities and expenses incurred or suffered by any of them in or directly or indirectly as a result of the valid exercise of any of the powers authorities or discretions vested in them under this Deed and against all actions proceedings losses costs claims and demands suffered or incurred by Head Gear in respect of any matter or thing done or omitted in any way relating to the Security Assets and Head Gear and any such Receiver may retain and pay all sums in respect of the same out of any monies received under the powers conferred by this Deed.

15. Set off

Head Gear may without notice to each Company set off or transfer any sums owing to the Company in or towards the satisfaction of any of the Secured Liabilities in so far as the same have fallen due and are not satisfied, and may do so notwithstanding that such liabilities may not be expressed in the same currency, and for the purpose of exercising any rights under this Clause or rights under general law Head Gear are authorised to effect any necessary conversions at the rate of exchange of Barclays Bank plc then prevailing.

16. Notices

- 16.1. 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 email or 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 Companies to Altitude Film Entertainment Limited, 34 Fouberts Place, London W1F 7PX (Attention: Andy Mayson, email: andymayson@altitudefilment.com) and a copy in the case of Head Gear to Ashley House, 5th Floor, 12 Great Portland Street, London W1W 8QN, UK (Attention: Phil Hunt email: phil@headgearfilms.com) with a copy to Christos Michaels, email: christosmichaels@leeandthompson.com, 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):
- 16.1.1. if hand delivered, at the time of delivery;
- 16.1.2. if sent by electronic mail, on the next following Business Day in the case of emails sent during business hours in London or forty eight (48) hours in respect of emails sent outside of business hours in London, provided that in the event that any email produces an automated response reporting a failure to deliver, delayed delivery to the intended recipient, such email shall be deemed not to have been delivered; and
- 16.1.3. 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
- 16.1.4. 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.

17. Miscellaneous

- 17.1. No delay or omission on the part of Head Gear in exercising any right or remedy under this Deed shall impair that right or remedy or operate as or be taken to be a waiver of it nor shall any single partial or defective exercise of any such right or remedy preclude any other or further exercise under this Deed of that or any other right or remedy.
- 17.2. Head Gear's rights under this Deed are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as Head Gear deem expedient.
- 17.3. Any waiver by Head Gear of any terms of this Deed or any consent or approval given by Head Gear under it shall only be effective if given in writing and then only for the purpose and upon the terms and conditions if any on which it is given.
- 17.4. The security constituted by this Deed shall be in addition to and shall not be prejudiced determined or affected by nor operate so as in any way to determine prejudice affect or merge in any Encumbrance which Head Gear may now or at any time in the future hold for

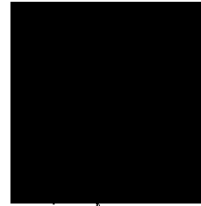
or in respect of the Secured Liabilities or any of them and shall not be prejudiced by time or indulgence granted to any person or any abstention by Head Gear in perfecting or enforcing any remedies, securities, guarantees or rights it may now or in the future have from or against the Companies or any other person or any waiver, release, variation, act, omission, forbearance, unenforceability, indulgence or invalidity of any such remedy security guarantee or right.

- 17.5. Any certificate or determination of Head Gear as to any matter provided for in this Deed shall in the absence of manifest error be conclusive and binding on the Companies.
- 17.6. This Deed is and will remain the property of Head Gear and its successors in title and assignees.
- 17.7. This Deed is governed by and shall be construed in accordance with English law.
- 17.8. The Companies and Head Gear irrevocably agree for the exclusive benefit of the other that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with this Deed and for such purposes irrevocably submits to the jurisdiction of such courts.
- 17.9. This Deed may be executed in any number of counterparts and each such counterpart shall together constitute one and the same Deed.

IN WITNESS whereof the Companies have executed these presents as a deed the day and year first above written.

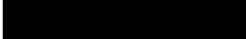
EXECUTION PAGE OF THE DEBENTURE

Executed and delivered as a DEED by)
Head Gear Films FN Ltd.)
acting by its director or duly appointed Attorney)

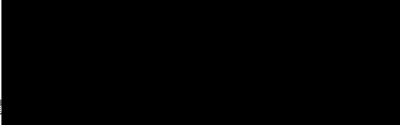


TOM HARBERD
UNDER POA.

In the presence of:

Witness signature: 

Witness Name: ANDREW CALEY

Witness Address: 
.....
.....

Witness Occupation: ACQUISITIONS COORDINATOR

Executed and delivered as a DEED by)
Altitude Film Entertainment Limited)
acting by its director)

In the presence of:

Witness signature:

Witness Name:

Witness Address:

.....

.....

Witness Occupation:

Executed and delivered as a DEED by)
Altitude Film Distribution Limited)
acting by its director)

In the presence of:

Witness signature:

Witness Name:

Witness Address:

.....

.....

Witness Occupation:

EXECUTION PAGE OF THE DEBENTURE

Executed and delivered as a DEED by)
Head Gear Films FN Ltd.)
acting by its director or duly appointed Attorney)

In the presence of:

Witness signature:

Witness Name:

Witness Address:.....

.....

.....

Witness Occupation:.....

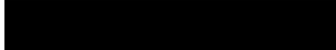
Executed and delivered as a DEED by)
Altitude Film Entertainment Limited)
acting by its director)

In the presence of:

Witness signature: 

Witness Name: *GURSHARN KHAIKA*

Witness Address: *C/O ALTITUDE*


..... 

.....

Witness Occupation: *HEAD OF BUSINESS AFFAIRS*

Executed and delivered as a DEED by)
Altitude Film Distribution Limited)
acting by its director)

In the presence of:

Witness signature: 

Witness Name: *GURSHARN KHAIKA*

Witness Address: *C/O ALTITUDE*

..... 

.....

Witness Occupation: *HEAD OF BUSINESS AFFAIRS*

Executed and delivered as a DEED by)
Altitude Film Sales Limited)
acting by its director)

In the presence of:

Witness signature:

Witness Name: GURSHARAD KHANA

Witness Address: C/O ALTITUDE

.....

.....

Witness Occupation: HEAD OF BUSINESS AFFAIRS