



Registration of a Charge

Company name: **GLOWMADE LTD**

Company number: **09655330**



X9KC78N7

Received for Electronic Filing: **21/12/2020**

Details of Charge

Date of creation: **18/12/2020**

Charge code: **0965 5330 0001**

Persons entitled: **SUGAR CAP LTD**

Brief description: **ALL THE UNDERTAKING, GOODWILL, PROPERTY, ASSETS AND RIGHTS OF THE COMPANY**

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: **MATT FRENCHMAN**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9655330

Charge code: 0965 5330 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 18th December 2020 and created by GLOWMADE LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st December 2020 .

Given at Companies House, Cardiff on 22nd December 2020

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**



SUGAR VGTC CHARGE

Dec-18-2020

THIS DEED dated and made **BETWEEN**:

- (1) **SUGAR CAP LTD** a company incorporated in England and Wales under company number 12144526, and with its registered address at 1 Woodland Gardens London N10 3UE ("**SugarCap**"); and
- (2) Glowmade Limited a company incorporated in England and Wales under company number 09655330 and with its registered address at 77 Walnut Tree Close, Guildford, GU1 4UH (the "**Company**").

WITNESSES as follows:

1.1 Interpretation Definitions

Unless otherwise provided in this Agreement, terms defined in the Loan Agreement shall have the same meaning where used in this Agreement.

In this Agreement, unless the context otherwise requires the following words shall have the following meanings:

"Accounts"	means any bank accounts opened by the Company in connection with the Game(s) or otherwise;
"Add On"	means any add-on to any Game(s) including, without limitation, theme packs, avatar items and/or downloadable content;
"Agreement"	means this charge in respect of the Charged Assets that is executed and delivered by the Company and SugarCap as a deed;
"Charged Assets"	means all the undertaking, goodwill, property, assets and rights of the Company charged pursuant to clause 5.1 (<i>Fixed Charge</i>); clause 5.2 (<i>Floating Charge</i>), and the property assigned pursuant to clause 5.3 (<i>Assignment</i>);
"Chattels"	means all plant, machinery, vehicles, computers, office and other equipment, all furniture, furnishings, equipment and tools and any removals or replacement of them;
"Code"	means the object and source code for the Game(s), tools used in the development, compiling and building of the Game(s), all information about compilers, third-party tools, and other assets required to compile and built the Game(s) and all data and script files used by the foregoing;
"Collateral Agreements"	means negotiable and non-negotiable agreements, contracts, guarantees, indemnities and other assurances against financial loss and any other documents or contracts which

	contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidencing an Encumbrance;
"Content"	means, with respect to the Game(s), those items created for the Game(s) (even if not included in the final build of the Game(s)) that, when placed in their final form, may be perceived or experienced by the person using the Game(s) including, but not limited to, title, concept art, artwork, design files, sounds, voice recordings, likenesses, graphic files, visual representations and likenesses, music files, user interface, symbols, logos and trade marks, characters, character names, weapons, vehicles, scenes, dialog, storyline, plot, the world/universe the Game(s) is/are set in and any documentation created for the Game(s);
"Debts"	means all book and other debts due to the Company and their proceeds (both collected and uncollected);
"Default Interest Rate"	has the meaning given to that term in the Loan Agreement;
"disposal"	includes any sale, lease, sub lease, assignment or transfer, the grant of an option or similar right, the grant of any easement, right or privilege, the creation of a trust or other equitable interest in favour of a third party, a sharing or parting with possession or occupation whether by way of licence or otherwise and the granting of access to any other person over any intellectual property, and "dispose" and "disposition" shall be construed accordingly;
"Distribution Rights"	means all rights of exploitation and distribution of the Game(s) by all means and in all media throughout the universe, together with all such rights in and to the Game Assets as are necessary solely to exploit such rights, including all rights, if any, to authorise, prohibit and/or control and collect revenues from the rental, lending, private copying, fixation, reproduction and/or other exploitation of the Game(s) by any means and/or media now known or hereafter devised as may be conferred under applicable laws, regulations and/or directives, including any so-called Rental and Lending Rights pursuant to any directives and/or implementing law enacted in any jurisdiction and including without limitation all allied and ancillary rights in and to the Game(s);
"Encumbrance"	means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security or other security interest of any kind;
"Enforcement Date"	means the date on which SugarCap demands the payment or discharge of all or any part of the Secured Liabilities or, if earlier, the date on which a petition for an administration

	order is presented in relation to the Company;
"Event of Default"	has the meaning given to that term in the Loan Agreement;
"Floating Charge Assets"	means the assets of the Company from time to time expressed to be charged by this Agreement by way of floating charge;
"Game(s)"	means the video game or games more particularly described in the Loan Agreement (including all localised versions);
"Game Assets"	means the Rights and all other rights and materials with respect to the same or the Game(s) as may be necessary for the production and/or exploitation of the Game(s);
"Group Company"	means Glowmade Limited (registration number: 09655330), Monocle Mayhem Limited (registration number: 11956000), Binocular Bonanza Ltd (registration number: 13012669) and Spectacular Skulduggery Ltd (registration number: 13017486).
"Insurances"	means all present and future contracts or policies of insurance (including life policies) in which the Company from time to time has an interest;
"Intellectual Property Rights"	means all trademarks, service marks, rights (registered or unregistered) in any designs; applications for any of the foregoing; trade or business names; rights to domain names; copyright (including rights in computer software) and topography rights; lending and rental rights; know how; secret formulae and processes; and other confidential and proprietary knowledge and information; rights protecting goodwill and reputation; all rights to carry on actions for passing off; database rights and rights under licences and consents in relation to such things and all rights or forms of protection of a similar nature to any of the foregoing or having equivalent effect anywhere in the world relating to the Game and all source code relating to it;
"Investments"	means any shares, stocks, debenture security, securities, bonds and investments of any type;
"Loan"	means the sums made available or to be made available by SugarCap to the Company pursuant to the Loan Agreement;
"Loan Agreement"	means the loan agreement dated on or about the date of this Agreement entered into between SugarCap and the Company as amended, varied or supplemented from time to time;
"Receiver"	means any one or more receivers and/or managers or administrative receivers appointed by SugarCap pursuant to this Agreement in respect of the Company or over all or any of the Charged Assets;

"Related Rights"	means, in respect of any Investment: (a) all monies paid or payable in respect of that Investment (whether income, capital or otherwise); (b) all shares, investments or other assets derived from that Investment; and (c) all rights derived from or incidental to that Investment;
"Relevant Agreements"	means the Loan Agreement and all documents defined therein as a Relevant Agreement;
"Rights"	means: (a) all Intellectual Property Rights and all other rights in the Game(s) including, without limitation, the rights in all Content, Code, Add Ons, localisations and re-releases of the Game(s) (even if including additional content); (b) the benefit of all contracts and agreements entered into relating to the acquisition of rights by or provision of goods or services in connection with and solely in so far as this relates to the Game(s) including all warranties and indemnities given therein; and (c) the entire remaining benefit of all grants, licences or rights, waivers, consents, covenants, warranties, undertakings and/or representations in all of the licences and agreements solely as necessary for the production and exploitation of the Game(s);
"Secured Liabilities"	means all monies, obligations and liabilities now or after the date of this Agreement due, owing or incurred by the Group Company to SugarCap whatsoever in any manner and in any currency or currencies and whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing on such monies and liabilities and all costs, charges and expenses incurred by SugarCap in connection therewith;
"Secured Property"	means any freehold, leasehold or common-hold property which is subject to any Encumbrance created by, under or supplemental to this Agreement and "Secured Property" shall include references to the whole or any part of it;
"Security Period"	means the period starting on the date of this Agreement and ending on the date on which the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full;
"SugarCap Collections Account"	has the meaning given to that term in the Loan Agreement;
"SugarCap Entitlement"	has the meaning given to that term in the Loan Agreement;
"Tools Technology" and	means any and all proprietary Code, software, development tools, libraries, engines, subroutines and technology owned by or licensed to the Company that predate the date of this Agreement, and any modification, adaption or improvement thereto;

"UK Tax Credit"	means the enhanced tax deduction with a payable cash element in respect of surrendered losses to which the Company should be entitled after the date of this Agreement in respect of its production costs in connection with the development of video games;
"UK Tax Credit Collateral"	means the benefit of the UK Tax Credit and the UK Tax Credit Proceeds and the right to claim and be paid the UK Tax Credit Proceeds and all other rights in connection with the same; and
"UK Tax Credit Proceeds"	means the actual amount of the UK Tax Credit which is received by and/or attributable to the Company in connection with the development of the Game(s).

- 1.2 The expressions "**SugarCap**", and "**Company**" include, where the context admits, their respective successors, and, in the case of SugarCap, its transferees and assignees, whether immediate or derivative. Clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement. In this Agreement, unless the context otherwise requires, references to clauses are to be understood as references to the clauses of this Agreement; words importing the plural shall include the singular and vice versa; and references to statutory provisions shall include references to those provisions as replaced, amended or re-enacted from time to time.

Covenant to Pay

The Company hereby covenants with SugarCap to pay or discharge to SugarCap the Secured Liabilities as and when they fall due under the Loan Agreement or otherwise.

Guarantee

- 3.1 In consideration of:
- 3.1.1 SugarCap agreeing to make the Loan available pursuant to the terms of the Loan Agreement (which the Company hereby acknowledges is of benefit to it by enabling it to enter into and thereby receive the benefits of the Relevant Agreements);
 - 3.1.2 SugarCap agreeing to the terms of the Relevant Agreements; and
 - 3.1.3 the payment by SugarCap to the Company of £1 (the adequacy and receipt of which is hereby acknowledged by the Company),
- the Company hereby guarantees to SugarCap the performance by the Group Company of all of its obligations to SugarCap pursuant to the Loan Agreement (including the payment of the Secured Liabilities) and hereby covenants with SugarCap to pay or discharge to SugarCap on demand the Secured Liabilities.
- 3.2 Without limiting the generality of the foregoing, the Company acknowledges and agrees that the guarantee provided in clause 3.1 above binds the Company, by way of independent obligation, to pay the Secured Liabilities as primary obligor, without set-off or counterclaim whatsoever.
- 3.3 The obligations of the Company contained in this clause 0 (*Guarantee*) are independent of the obligations of the Group Company or any third party and a separate action or actions may be brought against the Company whether or not an action is brought against the Group Company or any third party and whether or not the Company or any third party is joined in

any such action or actions. The Company agrees that its obligations under this clause 0 (*Guarantee*) shall not be exhausted by any failure or omission or delay by SugarCap or any third party to exercise any right or remedy under any of the Relevant Agreements or any other agreement or document whatsoever.

- 3.4 The guarantee of the Company given pursuant to clause 3.1 above shall continue to be effective or reinstated, as the case may be, if, and to the extent that, at any time payment of any amount of the SugarCap Entitlement is rescinded or otherwise required to be returned by SugarCap upon the insolvency, bankruptcy or reorganisation of the Group Company or any event analogous thereto.
- 3.5 The Company agrees that any modification of any of the Relevant Agreement shall not affect the obligations of the Company pursuant to this clause 0 (*Guarantee*).]]

Nature of Security over Secured Property. A reference in this Agreement to a charge over any Secured Property includes:

- 4.1.1 all buildings and fixtures and fittings and fixed plant and machinery that are situated on or form part of that Secured Property at any time;
- 4.1.2 the proceeds of the sale of any part of that Secured Property and any other monies paid or payable in respect of or in connection with that Secured Property;
- 4.1.3 the benefit of any covenants for titled give, or entered into, by any predecessor in title of the Company in respect of that Secured Property, and any monies paid or payable in respect of those covenants; and
- 4.1.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Secured Property.

Grant of Security

5.1 Fixed Charge

The Company with full title guarantee hereby charges to SugarCap by way of first fixed charge as a continuing security for the payment and discharge of the Secured Liabilities the following assets, both present and future, from time to time owned by the Company or in which the Company may from time to time have an interest:

5.1.1 The Game(s), Revenues and Associated Rights

- (a) the Game Assets;
- (b) the Distribution Rights;
- (c) all copies made or to be made of the Game(s);
- (d) any other games and any sound recordings made in the course of the development of the Game(s) or pursuant to any right acquired in connection with, or arising from, the development of the Game(s);
- (e) all copies made or to be made of the scripts and musical scores of the Game(s) and any sketches and designs produced in connection with the Game(s);
- (f) all digital material and sound and visual material made or to be made incorporating or reproducing all or any part of the Game(s);
- (g) any agreements for the provision of any goods, services, facilities or finance for the Game(s) and the benefit of any Insurances taken out for or in connection with the development or exploitation of the Game(s) and/or of the Distribution Rights and/or the Rights;

- (h) the benefit of all revenues accruing to the Company or the Company's order or on the Company's behalf in respect of the distribution and exploitation of the video games developed by the Company (including without limitation the Game(s) and/or of the Distribution Rights and/or the Rights);

5.1.2 **Intellectual Property Rights**

all its Intellectual Property Rights;

5.1.3 **Tools and Technology**

the Tools and Technology;

5.1.4 **Chattels**

All Chattels present and future and the benefit of all contracts, licences, warranties, maintenances contracts relating to them and any renewals and replacements of them;

5.1.5 **Secured Property**

- (a) the proceeds of sale of its Secured Property and all licences to enter on or use any Secured Property;
- (b) the benefit of all other agreements, instruments and rights relating to its Secured Property;

5.1.6 **Debts**

The Debts and all rights, guarantees, security or other collateral in respect of the Debts (or any of them) and the benefit of any judgement or order to any a sum of money and all rights to enforce the Debts (or any of them);

5.1.7 **Investments**

the Investments together with all Related Rights;

5.1.8 **UK Tax Credit**

the UK Tax Credit Collateral, and all rights and interests (including title) in or over it;

5.1.9 **The Accounts**

the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing);

5.1.10 **Benefit of Licences**

the benefit of all licences, consents and authorisations (statutory or otherwise) held by the Company in connection with its business or the use of any charged asset specified in any other sub-paragraph in this clause 5.1 (*Fixed Charge*) and the right to recover and receive all compensation which may be payable to it in respect of them; and

5.1.11 **Insurances**

The rights and interest of the Company under all Insurances;

5.1.12 **Disposal proceeds**

any proceeds of the disposal of any assets referred to in clauses 5.1.1 through 5.1.11 (inclusive) above, in whatever form.

5.2 Floating Charge

The Company with full title guarantee hereby charges to SugarCap by way of first floating charge as a continuing security for the payment and discharge of the Secured Liabilities its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future, other than any property or assets from time to time effectively charged by way of fixed charge pursuant to clause 5.1 above or otherwise pursuant to this Agreement.

5.3 Assignment

The Company with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, assigns absolutely to SugarCap (subject only to the right of re-assignment in favour of the Company specified in clause 0 (*Release and Reassignment*) hereof), all of the Company's right, title and interest (whether now owned or hereafter acquired or created), if any, in and to the following:

- 5.3.1 the Intellectual Property Rights;
- 5.3.2 the Rights, the Distribution Rights and any rights in and to the Game Assets;
- 5.3.3 any and all copyright in the Game(s) and any other games, programmes and any sound recordings made in the course of the development of the Game(s) or pursuant to any right acquired in connection with, or arising from, the development of the Game(s);
- 5.3.4 the benefit of all revenues accruing to the Company or the Company's order or on the Company's behalf in respect of the exhibition, distribution or exploitation of the Game(s) and/or of the Distribution Rights and/or of the Rights;
- 5.3.5 all those rights of the Company in relation to all music composed and sketches and designs made for or used in the production of the Game(s) including the following:
 - (a) the right to adapt the same for the purpose of and to reproduce the same in the form of the Game(s) and any such games as are mentioned in clause 5.1 (*Fixed Charge*) and/or clause 5.2 (*Floating Charge*);
 - (b) the right (except for musical performing rights if the composer is a member of the Performing Rights Society Limited) to perform the same in public by exhibition of the Game(s) and any such programmes and/or games as aforesaid;
 - (c) such rights as the Company may own to broadcast the same by radio and television and to include it in cable programmes whether by live performance of living persons or by performances of the Game(s);
- 5.3.6 the benefit of all agreements entered into or to be entered into by the Company (or its agent) relating to the Game(s) with all rights granted and all monies receivable thereunder and any interest thereon and the benefit of all subsisting

undertakings, warranties, representations, covenants, agreements and acknowledgements therein contained;

- 5.3.7 the benefit of any Insurances taken out and maintained in connection with the Game(s) and any and all sums paid or payable thereunder;
- 5.3.8 the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing);
- 5.3.9 the UK Tax Credit Collateral; and
- 5.3.10 the proceeds of any or all of the foregoing.

5.4 **Trust**

The Company shall hold on trust for SugarCap (which trust the Company hereby declares) the Company's entire interest and benefit in and to the Charged Assets or any part thereof which cannot be charged or assigned by the Company together with all proceeds, money and other rights and benefits to which the Company is beneficially entitled in respect of such Charged Assets.

5.5 **Restrictions on dealing with Charged Assets (Negative Pledge)**

The Company hereby covenants that it will not without the prior written consent of SugarCap:

- (a) create or attempt to create or permit to subsist in favour of any person other than SugarCap any Encumbrance on or affecting the Charged Assets or any part thereof; or
- (b) dispose of the Charged Assets or any part thereof or attempt or agree so to do except in the case of stock in trade, which may, subject to the other provisions of this Agreement, be sold at full market value in the usual course of trading as now conducted and for the purpose of carrying on the Company's business.

Notwithstanding anything to the contrary contained herein, if the Company charges or otherwise encumbers any of the Charged Assets in any manner contemplated by this clause 5.5 (*Restrictions on dealing with Charged Assets*) the charges created in favour of SugarCap shall rank in priority to such other charges or Encumbrances whether they be fixed, floating or otherwise.

5.6 **Conversion of floating charge**

On the happening of any Event of Default or at any time thereafter, the floating charge created by clause 5.2 (Floating Charge) above shall automatically be converted with immediate effect into a fixed charge, the obligation of SugarCap to advance monies under any agreement shall immediately terminate, the security hereby created shall become enforceable and the Secured Liabilities shall immediately become due and payable.

Undertakings

- 6.1 The Company hereby undertakes with SugarCap that during the continuance of this security the Company will:

6.1.1 **UK Tax Credit Proceeds:**

- (i) direct the payment of all UK Tax Credit Proceeds into the SugarCap Collections Account; and
- (ii) deal with the UK Tax Credit Proceeds in accordance with any directions from time to time given in writing by SugarCap;

6.1.2 Game(s), Game Assets and Rights

Preserve its rights, title and interest to and in the Game(s), Game Assets and Rights and not without the consent of SugarCap dispose of its rights, title and interest to and in each of the Game(s), the Game Assets and/or Rights;

6.1.3 Tools and Technology and Chattels

- (i) keep all Tools and Technology and Chattels comprised in the Charged Assets in good and substantial repair and in good working order and condition;
- (ii) repair any defect or damage to any of its Tools and Technology and/or Chattels promptly and if it fails to do so SugarCap may, but shall be obliged to, do so; and
- (iii) promptly upon a request by SugarCap, deliver to SugarCap all documents of title relating to its Tools and Technology and/or Chattels;

6.1.4 Investments

- (i) be entitled to receive and retain all dividends, distributions, drawings and other monies receivable in respect of the Investments and Related Rights;
- (ii) not exercise its voting and other rights in respect of its Investments and Related Rights in a manner which is likely to be prejudicial (acting reasonably) to the interests of SugarCap;
- (iii) make all payments which may become due and payable in respect of any of its Investments and Related Rights. If the Company fails to make any such payments, SugarCap may but shall not be obliged to make such payment on behalf of the Company. Any sums so paid by SugarCap shall be repayable by the Company to SugarCap on demand and pending such repayment shall constitute part of the Secured Liabilities;
- (iv) remain liable to observe and perform all of the conditions and obligations assumed by it in respect of its Investments and Related Rights and SugarCap shall not be required to perform or fulfil any obligation of the Company in respect of the Investments and Related Rights;
- (v) comply with any notice served on it under the Law of Property Act 1925 and under the Act or the Companies Act 2006 (as each may be amended, supplemented or re-enacted) or pursuant to the articles of association, limited liability partnership members agreement or any other constitutional document of any relevant entity in respect of or in connection with the Investments or Related Rights and will promptly provide to SugarCap a copy of such notice;
- (vi) immediately on conversion of any of its Investments or Related Rights from a certificated to an uncertified form, and on the acquisition by it of any Investments or Related Rights in an uncertified form, it shall give such instructions or directions and take such other steps and enter into such documentation as SugarCap may require in order to protect or preserve the Encumbrances intended to be created by this Agreement;
- (vii) upon an Event of Default and/or at the request of SugarCap and/or on the date of acquisition of any Investments or Related Rights: (a) deliver to SugarCap all certificates of title and other documents of title or evidence of ownership in respect of its Investments and the Related Rights; and (b) promptly upon request by SugarCap deliver to SugarCap such transfer documents (with the transferee left blank) or any other documents as

SugarCap may require or otherwise request in respect of those Investments and Related Rights;

6.1.5 Secured Property

- (i) keep all premises and fixtures and fittings on each Secured Property in good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value;
- (ii) not, without the prior written consent of SugarCap, pull down or remove the whole, or any part, of any building forming part of any Secured Property or permit the same to occur;
- (iii) not without the prior written consent of SugarCap, make or permit to be made any material alterations to any Secured Property;
- (iv) carry on its trade and business on those party (if any) of the Secured Property as are used for the purpose of trade or business in accordance with the standards of good management from time to time current in that trade or business;
- (v) observe and perform all covenants, stipulations and conditions to which each Secured Property, or the use of it, is or may be subject, and (if SugarCap so requires) produce to SugarCap evidence sufficient to satisfy SugarCap that those covenants, stipulations and conditions have been observed and performed;
- (vi) diligently enforce all covenants, stipulations and conditions benefitting each Secured Property and shall not waive, release or vary any of the same.

6.1.6 Compliance with covenants etc

Observe and perform all covenants, and requirements from time to time affecting the Charged Assets whether imposed by law or regulation or by any form of contract or otherwise, carry out all registrations or renewals and generally do all other acts and things necessary to maintain, defend or preserve its right, title and interest to and in the Charged Assets; and

6.1.7 Not Adversely affect the Charged Assets

Not exercise any right or power available to it in relation to the Charged Assets that might adversely affect the interest of SugarCap unless and until requested to do so by SugarCap whereupon the Company will exercise such right or power as SugarCap may direct.

6.2 Representations and Warranties

The Company hereby repeats in favour of SugarCap the representations, warranties, undertakings and covenants set out in the Loan Agreement as if the same were included and incorporated in this Agreement.

6.3 Power to remedy

If the Company at any time defaults in complying with any of its obligations contained in this Agreement, SugarCap shall, without prejudice to any other rights arising as a consequence of such default, be entitled (but not bound) to make good such default and the Company hereby irrevocably authorises SugarCap and its employees and agents by way of security to do all such things (including, without limitation, entering the Company's property including, without limitation, the Secured Property) necessary or desirable in connection

therewith. Any moneys so expended by SugarCap shall be repayable by the Company to SugarCap on demand together with interest at the Default Interest Rate from the date of payment by SugarCap until such repayment, both before and after judgment and compounded monthly in default of punctual payment. No exercise by SugarCap of its powers under this clause 6.3 shall make it liable to account as a mortgagee in possession.

Further Assurance and Power of Attorney

- 7.1 The Company shall if and when at any time required by SugarCap execute such further Encumbrances and assurances in favour of SugarCap and do all such acts and things as SugarCap shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Liabilities or to perfect or protect the security intended to be created by this Agreement over the Charged Assets or any part thereof or to facilitate the realisation of the same.
- 7.2 The Company hereby irrevocably appoints SugarCap, and if any Receiver or an administrator has been appointed, each of SugarCap, the Receiver and any administrator appointed by SugarCap to be an attorney of the Company in its name and on its behalf to sign, execute and deliver all deeds and documents and do all acts and things which SugarCap may reasonably require or reasonably deem appropriate for the purpose of exercising any of its powers or for the perfection, protection or realisation of any security hereby constituted. The Company hereby acknowledges that such appointment shall be irrevocable until this Agreement is released and the Charged Assets reassigned under clause 0 (*Release and Reassignment*).
- 7.3 This appointment shall operate as a power of attorney for the purposes of clause 7.2 only, made under Section 10 of the Powers of Attorney Act 1971, such appointment constituting a power coupled with an interest under English law. This power of attorney shall terminate without further notice on the release and discharge of this Agreement pursuant to clause 0 (*Release and Reassignment*), but subject to clause 0 (*Discharge Conditional*).
- 7.4 The Company hereby covenants with SugarCap that on request it will ratify and confirm all documents, acts and things and all transactions entered into by SugarCap, the Receiver or an administrator appointed by SugarCap or by the Company at the insistence of SugarCap, the Receiver or an administrator appointed by SugarCap in the exercise of the aforesaid powers.

Certain powers of SugarCap: Enforcement

8.1 Powers on enforcement

At any time on or after the Enforcement Date or if requested by the Company, SugarCap may, without further notice, without the restrictions contained in section 103 Law of Property Act 1925 and whether or not a Receiver shall have been appointed, exercise all the powers and discretions conferred by this Agreement on a Receiver either expressly or by reference.

8.2 Power of Sale

At any time after the security constituted by this Agreement has become enforceable, SugarCap and any nominee of SugarCap may (without prejudice to any other right which SugarCap may have), without further notice to the Company, exercise the power to sell or otherwise dispose of the whole or any part of the Charged Assets without being answerable for any loss occasioned thereby.

8.3 Terms of Sale

Any sale or disposal under clause 8.2 above may be made in such manner, on such terms and for such consideration (whether payable immediately or by instalments) as SugarCap shall in its absolute discretion think fit and without liability for loss.

Appointment and Powers of Receiver

9.1 Appointment

At any time on or after the Enforcement Date or if requested by the Company, SugarCap may by instrument in writing executed as a deed or under the hand of any director or other duly authorised officer appoint any qualified person to be a Receiver of the Charged Assets or any part thereof. Where more than one Receiver is appointed, each joint Receiver shall have power to act severally, independently of any other joint Receivers, except to the extent that SugarCap may specify to the contrary in the appointment. SugarCap may (subject, where relevant, to section 45 Insolvency Act 1986) remove any Receiver so appointed and appoint another in his place. In this clause 0 a "**qualified person**" is a person who, under the Insolvency Act 1986, is qualified to act as a receiver of the property of any company with respect to which he is appointed or, as the case may be, an administrative receiver of any such company.

9.2 Receiver as agent

A Receiver shall be the agent of the Company and the Company shall be solely responsible for his acts or defaults and for his remuneration.

9.3 Powers of Receiver

A Receiver shall have all the powers conferred from time to time on receivers and administrative receivers by statute (in the case of powers conferred by the Law of Property Act 1925, without the restrictions contained in section 103 of that Act) and power on behalf and at the expense of the Company (notwithstanding liquidation of the Company) to do or omit to do anything which the Company could do or omit to do in relation to the Charged Assets or any part thereof. In particular (but without limitation) a Receiver shall have power to do all the acts and things described in Schedule 1 to the Insolvency Act 1986 as if the words "**he**" and "**him**" referred to the Receiver and "**company**" referred to the Company.

9.4 Remuneration

SugarCap may from time to time determine the remuneration of any Receiver and section 109(6) Law of Property Act 1925 shall be varied accordingly. A Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by the Receiver in accordance with the current practice of his firm.

Application of Proceeds; Purchasers

10.1 Application of proceeds

All moneys received by SugarCap or by any Receiver shall be applied, after the discharge of the remuneration and expenses of the Receiver and any liabilities having priority to the Secured Liabilities, in or towards satisfaction of such of the Secured Liabilities in such order as SugarCap in its absolute discretion may from time to time conclusively determine.

10.2 Protection of purchasers

No purchaser or other person shall be bound or concerned to see or enquire whether the right of SugarCap or any Receiver to exercise any of the powers conferred by this Agreement has arisen or be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.

Indemnities; Costs and Expenses**11.1 Enforcement costs**

The Company hereby undertakes to SugarCap to pay on demand all costs, charges and expenses incurred by SugarCap or by any Receiver in or about the enforcement, preservation or attempted preservation of any of the security created by or pursuant to this Agreement or any of the Charged Assets on a full indemnity basis, together with interest at the Default Interest Rate from the date on which such costs, charges or expenses are so incurred until the date of payment by the Company (both before and after judgment).

11.2 No liability as mortgagee in possession

Neither SugarCap nor any Receiver shall be liable to account as mortgagee or heritable creditor in possession in respect of all or any of the Charged Assets or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever for which a mortgagee or heritable creditor in possession may be liable as such.

11.3 Indemnity from Charged Assets

SugarCap and any Receiver or other person appointed by SugarCap under this Agreement and SugarCap's officers and employees (each an "**Indemnified Party**") shall be entitled to be indemnified (compensated) out of the Charged Assets in respect of all costs, losses, actions, claims, expenses, demands or liabilities (and all other professional costs and expenses) which may be suffered or incurred by, or made against, any of them at any time relating to or arising directly or indirectly out of or as a consequence of:

- (a) anything done or omitted in the exercise or purported exercise of the powers contained in this Agreement in respect of the Charged Assets; or
- (b) any breach by the Company of any of its obligations under this Agreement; or
- (c) any claim made or asserted against an Indemnified Party which would not have arisen if this Agreement had not been executed and which was not caused by the wilful default of the relevant Indemnified Party.

Independent and Continuing Security**12.1 Continuing Security**

This Agreement and the security created by this Agreement shall remain in full force and effect as a continuing security for the Secured Liabilities notwithstanding any settlement of account, or intermediate payment, or other matter or thing, unless and until SugarCap discharges this Agreement in writing.

12.2 Independent Security

This Agreement and the security created by this Agreement shall be in addition to, and independent of, any other Collateral Agreement, Encumbrance, rights or remedies that SugarCap may hold in respect of any of the Secured Liabilities at any time. No prior or future security held by SugarCap over the whole or part of the Charge Assets shall merge in the security created by this Agreement.

Release and Reassignment

- 13.1** Subject to clause 0 (*Discharge Conditional*) below, on the expiry of the Security Period (but not otherwise), SugarCap shall, at the request and cost of the Company, take whatever action is necessary to:

- 13.1.1** release the Charged Assets from the security constituted by this Agreement; and
- 13.1.2** reassign the Charged Assets to the Company.

Discharge conditional

Any release, discharge or settlement between the Company and SugarCap shall be deemed conditional on no payment or security received by SugarCap in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- 14.1.1 SugarCap or its nominee may retain this Agreement and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Assets, for any period that SugarCap deems necessary to provide SugarCap with security against any such avoidance, reduction or order for refund; and
- 14.1.2 SugarCap may recover the value or amount of such security or payment from the Company subsequently as if the release, discharge or settlement had not occurred.

Miscellaneous**15.1 Remedies Cumulative**

No failure or delay by SugarCap to exercise any power, right or remedy shall operate as a waiver by SugarCap of such power, right or remedy nor shall any single or any partial exercise or waiver of any power, right or remedy preclude SugarCap from further exercise or the exercise of any other power, right or remedy.

15.2 Successors and assigns

Any appointment or removal of a Receiver under clause 0 (*Appointment and Powers of Receiver*) and any consents under this Agreement may be made or given in writing signed or sealed by any successors or assigns of SugarCap and accordingly the Company hereby irrevocably appoints each successor and assign of SugarCap to be its attorney in the terms and for the purposes set out in clause 0.

15.3 Licence

- 15.3.1 SugarCap hereby grants to the Company an exclusive, royalty-free licence (revocable only in accordance with clause 15.3.2 below) to develop, produce and otherwise exploit the Game(s).
- 15.3.2 The licence granted under clause 15.3.1 above shall be terminated automatically without notice upon:
 - (a) the happening of an Event of Default; or
 - (b) a release and reassignment pursuant to clause 0 (*Release and Reassignment*).

15.4 Notices of Charge and Acknowledgement

The Company must give notice to any relevant third party of this Agreement (and the grant of security herein) in a form approved by SugarCap and use commercially reasonable endeavours to procure that each such third party acknowledges such notice in a form approved by SugarCap.

15.5 Invalidity of any Clause

If at any time any one or more of the provisions or clauses of this Agreement becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions or clauses shall not in any way be affected or impaired thereby.



15.6 **Assignment of Agreement**

SugarCap shall be entitled to assign, transfer, charge, sub-charge or otherwise grant security over or deal in any or all of its right, title and interest in this Agreement and/or in or in relation to the Charged Assets.

15.7 **Counterparts**

This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

Notices

Any notice or demand for payment by SugarCap under this Agreement shall, without prejudice to any other effective mode of making the same, be deemed to have been properly served on the Company if served on any one of its Directors or on its Secretary or delivered or sent by letter or email to the Company at its registered office or any of its principal places of business for the time being. Any such notice or demand shall be deemed to have been served (in the case of a letter) when delivered, and (in the case of a email) when received in complete and legible form. Any such notice or demand or any certificate as to the amount at any time secured by the Agreement shall, save for manifest error be conclusive and binding upon the Company if signed by an officer of SugarCap.

Law

This Agreement (including any non-contractual disputes arising out of or in connection with it) shall be governed by and shall be construed in accordance with English law and the parties hereto submit to the exclusive jurisdiction of the English courts.

IN WITNESS whereof this Agreement has been executed as a deed and is delivered by or on behalf of the parties and takes effect on the date stated at the beginning of this Agreement.

EXECUTED and unconditionally delivered)
as a DEED by)
SUGAR CAP LTD)
acting by a Director)
in the presence of:)



Witness:
Signature: _____
Name: _____
Address: _____

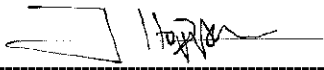
Occupation: _____

Gemma Frenchman

1 woodland Gardens N10 3UE

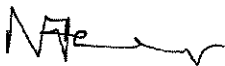
Business consultant

EXECUTED and unconditionally delivered)
as a **DEED** by)
Glowmade Limited)
acting by a Director)
in the presence of:)



Witness:

Signature:



Name:

Naomi Hopper

Address:

8 Nettles Terrace, Guildford, Surrey, GU1 4PA

Occupation:

Paramedic