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COMPANIES FORM No. 395

Particulars of a mortgage or charge

000084/26
395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

3111

05781343

Name of company

* Easy Virtue Limited (the "Chargor")

Date of creation of the charge

12 February 2008

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

Deed of Assignment and Charge in respect of the film provisionally entitled "Easy Virtue" (the "Charge")

Amount secured by the mortgage or charge

All present and future monies, obligations and liabilities, whether actual or contingent, whether due, owing or incurred by the Chargor and the Debtor to the Financier under the Finance Documents and whether such monies, obligations or liabilities are express or implied, present or future, actual or contingent, joint or several, incurred as principal or surety or in some other capacity and whether unascertained collateral or unmatured and whether originally owing to the Financier or purchased or otherwise acquired by it, and whether denominated in sterling, or in any other currency, or incurred on any account or in any manner whatsoever (the 'Secured Obligations').

Capitalised terms not defined herein are defined in the Schedule attached to this Form 395

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

Endgame Funding, LLC (the "Financier") of 9100 Wilshire Blvd, Suite 100W, Beverly Hills, USA

Postcode CA 90212

Presenter's name address and reference (if any)

Reed Smith Richards Butler LLP
Beaufort House, 15 St
Botolph Street, London
EC3A 7EE

Time critical reference

RPSP/YP/762303 00007

For official Use (06/2005)

Mortgage Section

Post room

THURSDAY



LR8BGXEM

LD3

21/02/2008

54

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

The Chargor with full title guarantee and as a continuing security for the full and timely payment, performance and discharge of the Secured Obligations has assigned the Assigned Property absolutely to the Financier (and in so far as necessary by way of present assignment of future copyright pursuant to Section 91 of the Copyright Designs and Patents Act 1988)

The Chargor with full title guarantee has charged the Fixed Charge Property to the Financier by way of first fixed charge as a continuing security for the payment performance and discharge of the Secured Obligations

The Chargor with full title guarantee has charged the Floating Charge Property to the Financier by way of first floating charge as a continuing security for the payment performance and discharge of the Secured Obligations

The Chargor has undertaken that it shall not, without the prior written consent of the Financier, create, agree to create or allow to subsist any Prohibited Security Interest on or over the Collateral or any part of it

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

T
+
9
5

Particulars as to commission allowance or discount (note 3)

Signed Red Smith Richards Butler LLP Date 20 February 2008

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] †

A fee is payable to Companies House in respect of each register entry for a mortgage or charge (See Note 5)

† delete as appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his,
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is **Companies House, Crown Way, Cardiff CF14 3UZ**.

COMPANY NAME Easy Virtue Limited

COMPANY NUMBER 05781343

SCHEDULE 1
DEFINITIONS

'Ancillary Rights' means all the ancillary rights in the Film which are owned or controlled at any time by any of the parties to the Interparty Agreement or the Intermediate Licensor including soundtrack album rights, all inter-active and computer assisted rights and all screenplay publication rights (as all such terms are customarily understood in the motion picture and television industry of England),

'Approved Screenplay' means the final screenplay on which the Film is to be based, dated 9 January 2008 written by Stephan Elliott and Sheridan Jobbins,

'Assigned Property' means all of the Chargor's right, title and interest in and to the following throughout the world for the full period of copyright and thereafter for such additional time as may be possible and lawful (excluding in each case the UK Tax Credit Collateral and the Bank's Collateral)

(a) all rights of every kind and nature in and to the Literary Property including the Underlying Rights,

(b) all rights of every kind and nature in and to any and all music and musical compositions created for, or from time to time used in, the Film, including all rights to perform, copy, record, rerecord, produce, publish, reproduce or synchronise all of such music or musical compositions and all record, soundtrack recording and music publishing rights,

(c) all rights including copyrights, rights in copyrights, interests in copyrights and renewals and extensions of copyrights, domestic and foreign, common law and statutory, heretofore or hereafter obtained in the Film and the Literary Property or any part thereof, and the right (but

not the obligation) to make publication thereof for copyright purposes, to register claims under copyright, and the right (but not the obligation) to renew and extend such copyrights, and the right (but not the obligation), to sue in the name of Chargor and/or in the name of Financier for past, present and future infringements of copyright,

(d) the Distribution Rights,

(e) (to the extent not included in the Distribution Rights) all collateral, allied, ancillary, subsidiary, publishing and merchandising rights of every kind and nature derived from or related to the Film and the Literary Property or any part thereof, including all production, exploitation, reissue, remake, sequel, serial and series production rights by use of film, tape or any other recording devices now known or hereafter devised, all rights to use, exploit and license others to use or exploit any and all novelisation, publishing, commercial tie-ups and merchandising rights of every kind and nature, all rights of every kind and nature related to the title or titles of the Film, the characters appearing in the Film or the Literary Property and/or the names or characteristics of such characters,

(f) the title of the Film and all of the Chargor's rights to the exclusive use thereof including rights protected pursuant to registered or unregistered trade mark, service mark, unfair competition, passing off and/or other laws, rules or principles of law or equity,

(g) all inventions, processes, formulae, licences, patents, patent rights, trademarks, trademark rights, service marks, service mark rights, trade names, trade name rights, logos, indicia, corporate and company names, business source or business identifiers and renewals and extensions thereof, domestic and foreign, whether now owned or hereafter acquired, and the accompanying good will and other like business property rights relating to the Film, and the right (but not the obligation) to register claims under trademark or patent and to renew and extend such trademarks or patents and the right (but not the obligation) to sue in the name of the Chargor or in the name of the Financier for past, present or future infringement of trademark or patent,

(h) the benefit of those of the Transaction Agreements to which the Chargor is a party and any other contracts or agreements entered into or made by the Chargor relating (whether directly or indirectly) to the Film, including all rights granted and all amounts payable thereunder and the

benefit of all undertakings, covenants, representations and warranties made therein,

(i) all of Chargor's right, title and interest in and to any and all sums paid or payable to Chargor now due or which hereinafter may become due to Chargor by any state, federal, provincial, or other governmental body or authority directly or indirectly as a tax credit, tax refund, tax subsidy, production credit or similar government benefit, or by any tax shelter, any co-production structure, or any similar transaction, and any and all allied, ancillary and subsidiary rights therein,

(j) all right to receive payment under, or in connection with, all contracts and policies of insurance or indemnity relating to any of the Collateral taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest, all claims of whatsoever nature relating thereto and all returns of premiums in respect of such contracts or policies,

(k) all other accounts receivable, contract rights, general intangibles, intellectual property, investment property, letter of credit rights and supporting obligations, which are related to or used in connection with the Film, and

(l) the products and proceeds of any or all of the foregoing,

'Bank' means Barclays Bank PLC of 27 Soho Square, London W1D 3QR,

'Bank's Collateral' means Production Account B and all funds standing to the credit of such account except the Unmatched Sums,

'BBC Licence Agreement' means the agreement between Chargor and the British Broadcasting Corporation (the **'BBC'**) dated on or about the date of the Charge in which the Chargor grants BBC a licence in the Film for exploitation in the BBC Territory (as defined in the BBC Licence Agreement),

'Collateral' means the Assigned Property, the Fixed Charge Property and the Floating Charge Property,

'Collection Account' means the designated interest bearing bank account in relation to the

Film with account details more particularly described in the Interparty Agreement,

'Conditions Precedent Documentation' means the documentation and other evidence specified in Schedule 2 of the Loan Agreements,

'Cultural Test' in relation to the UK Tax Credit the test to be applied under the statutory instrument 2006/3430 in force at today's date amending the Films Act 1985 in relation to the qualification of the Film as a British film,

'Debtor' means Easy Virtue Distribution Limited,

'Distribution Agreements' means any and all agreements concluded or to be concluded by the Sales Agents for and on behalf of the Chargor and/or Easy Virtue Distribution Limited with any third party, relating to the distribution, exploitation or exhibition of the Film and/or any ancillary rights thereto (excluding the BBC Licence Agreement),

'Distribution Rights' means the following throughout the world for the full period of copyright and thereafter (so far as is possible) in perpetuity (a) all rights to distribute, lease, license, sell or otherwise exploit or deal with the Film in all media (whether now known or hereafter invented or devised) (b) all rights to exhibit and broadcast the Film, (c) the Ancillary Rights, and (d) all such other rights in and to the Film, the Approved Screenplay or any material on which the Film or is based or which is incorporated in the Film and as are needed for the full exploitation of the rights described in (a), (b) and (c) above,

'Distributors' means the parties to the Distribution Agreements other than the Chargor and/or Easy Virtue Distribution Limited and/or the Sales Agents,

'Film' means the film provisionally entitled "Easy Virtue" including its soundtrack and all revisions thereof,

'Finance Documents' means (a) the Loan Agreements, (b) the Charge, and (c) any other agreement, deed, notice or certificate entered into or given by any of the Relevant Parties from time to time creating, evidencing, perfecting or entered into as security for, or for supporting either of, or entered into in accordance with either of, the documents referred to in (a) and (b) above or which the Financier and the Chargor may from time to time agree constitutes a

Finance Document,

'Financier Sums' means amounts standing to the credit of Production Account B equal to the amounts from time to time paid into such account by the Financier,

'Fixed Charge Property' means all the Chargor's right, title and interest (whether now owned or hereafter acquired) in and to the following throughout the world (excluding in each case the UK Tax Credit Collateral and the Bank's Collateral)

(a) all physical properties of every kind or nature of or relating to the Film and all versions thereof, including all physical properties relating to the development, production, completion, delivery, exhibition, distribution or other exploitation of the Film, and all versions thereof or any part thereof,

(b) all physical elements of the Film, including all negatives, duplicate negatives, fine grain prints, soundtracks, positive prints (cut-outs and trims excepted), and all sound properties, video formats (including PAL/NTSC), and other physical properties in connection with the Film and the trailer of the Film, exposed film, developed film, positives, negatives, prints, answer prints, special effects, preprint materials (including interpositives, negatives, duplicate negatives, internegatives, colour reversals, intermediates, lavenders, fine grain master prints and matrices and all other forms of preprint elements which may be necessary or useful to produce prints or other copies or additional pre-print elements, whether now known or hereafter devised), soundtracks, recordings, audio and video tapes and discs of all types and gauges, cut-outs, trims, non-analogue recordings and tapes, including any video digital recordings and HDTV format recordings, and any and all other physical properties of every kind and nature relating to the Film in whatever state of completion, and all duplicates, drafts, versions, variations and copies of each of the aforesaid,

(c) all machinery, electrical and electronic components, equipment, fixtures, furniture, office machinery, vehicles, trailers, implements and other tangible personal property of every kind and description used or useful in connection with the Film (including, without limitation, all wardrobe, props, mikes, scenery, sound stages, movable, permanent or vehicular dressing rooms, sets, lighting equipment, cameras and other photographic, sound recording and editing equipment, projectors, film developing equipment and machinery) and all goods of like kind or

type hereafter acquired by Chargor in substitution or replacement thereof, and all additions and accessions thereto, wherever any of the foregoing is located,

(d) any and all documents, receipts or books and records, including, without limitation, documents or receipts of any kind or nature issued by any pledgeholder, warehouseman or bailee with respect to the Film and any element thereof and the equipment containing such books and records,

(e) all sums from time to time standing to the credit of the Collection Account, and any other account of the Chargor,

(f) all other properties and things of value which are related to or used in connection with the Film to the extent the same do not form part of the Assigned Property, and

(g) the proceeds and products of any and/or all of the foregoing,

'Floating Charge Property' means (a) the business, undertaking, property, assets, revenues, rights and uncalled capital, present and future of the Chargor (but excluding the Fixed Charge Property, the Assigned Property, the UK Tax Credit Collateral and the Bank's Collateral), (b) the Fixed Charge Property to the extent (if at all) that the fixed charge over the Fixed Charge Property or any part thereof is for any reason ineffective as a fixed charge, and (c) the Assigned Property to the extent (if at all) that the assignment of such Assigned Property or part thereof is for any reason ineffective as an assignment,

'Intermediate Licensor' means any entity granted distribution rights in the Film in order to mitigate foreign withholding taxes and that is approved (including the relevant terms) by the financiers,

'Interparty Agreement' means the Interparty Agreement dated on or about the date of the Charge between, *inter alia*, Chargor, Easy Virtue Films Limited, Easy Virtue Distribution Limited, Prescience Media 1 LLP, Omni Films LLP, Prescience Pictures Limited, Odyssey Entertainment Limited, Richard Moore trading as Moore Films, the Financier and Film Finances Limited,

'Letter of Credit' means an irrevocable letter of credit in the form and issued or confirmed by a financial institution acceptable to Financier until Financier recoupment and thereafter the Next

Financier (as defined in clause 8 2(b) of the Interparty Agreement), payable against documents which Film Finances Inc is willing to guarantee to secure payment of the advance due from those Distributors under the applicable Distribution Agreements, whose payment obligations the Financiers require in their absolute discretion to be secured,

'Literary Property' means the Approved Screenplay and any other literary, dramatic or musical material of any kind or nature upon which the Film is (in whole or in part) based or from which it is or may be adapted or inspired or which may from time to time be used or included in the Film,

'Loan Agreement A' means the loan agreement dated on or about the date of the Charge entered into by the Financier and the Chargor in relation to the Film,

'Loan Agreement B' means the loan agreement dated on or about the date of the Charge entered into by the Financier and the Debtor in relation to the Film,

'Loan Agreements' means Loan Agreement A and Loan Agreement B,

'Matched Sums' means that portion of the Financier Sums in respect of which an equal amount has been funded by the Bank into the Production Accounts and any Financier Sums which have been returned to the Financier in accordance with the Undertaking,

'Presale Agreements' means the agreements listed in Schedule 5 to the Loan Agreements,

'Production Accounts' means the accounts set up by Easy Virtue Films Limited in relation to the Film into which production monies for that Film are advanced as more specifically detailed in the Interparty Agreement,

'Production Account B' means that certain production account, with account details as more particularly described in the Charge,

'Prohibited Security Interest' means any assignment, charge, mortgage, pledge, right of set off or trust arrangement or other arrangement having the economic effect of creating a security interest other than the Security Interests, any liens arising by operation of law and, subject to the Chargor and the Debtor complying with Clause 9 15 of the relevant Loan Agreement, any liens

arising in the ordinary course of trade,

'Qualifying Expenditure' means the Core Expenditure (as defined in section 34 (1) of the Finance Act) incurred in connection with the Film and which comprises expenditure on services performed in the United Kingdom and/or goods used or consumed in the United Kingdom,

'Relevant Parties' means the parties to the Transaction Agreements but shall not include the Financier or any such party after such party has paid all sums due and has complied with all its material obligations under the applicable Transaction Agreement,

'Sales Agents' means Odyssey Entertainment Limited and Fragile Film Distribution Limited,

'Security Agreements' means the charges, security agreements and mortgages and assignments of copyright in relation to the Film listed in Schedule 3 of the Loan Agreements,

'Security Interests' means the security interests granted pursuant to the Security Agreements,

'Transaction Agreements' means (a) the Loan Agreements, (b) the Conditions Precedent Documentation, and (c) any replacement for any of the Presale Agreements entered into subsequent to the date of the Charge and any notice and acceptance of assignment, Letter of Credit, guarantee or other financial instrument executed hereafter in connection with any such replacement for a Presale Agreement, (d) the agreements pursuant to which the Security Interests were created, (e) each Distribution Agreement (as and when executed) and each notice and acceptance of assignment Letter of Credit, guarantee or other financial instrument executed relating thereto (as and when executed), and (f) any other agreement relating to the Film that has been approved by the Financier,

'Underlying Rights' means all necessary rights in and to the Approved Screenplay to enable the Film to be produced and the Distribution Rights exploited,

'UK Tax Credit' means that enhanced tax deduction with a payable cash element in respect of surrendered losses to which the Easy Virtue Films Limited is entitled calculated by reference to the Qualifying Expenditure on the Film as provided for in the Finance Act 2006 and which amount shall be available, inter alia, upon the satisfaction of the Cultural Test,

'UK Tax Credit Account' means the account established by Easy Virtue Films Limited at the Bank in to which the UK Tax Credit Proceeds shall be paid, with details more particularly described in the Interparty Agreement,

'UK Tax Credit Agreement' means the agreement relating to the UK Tax Credit between Prescience Media 1 LLP, Omni Films LLP, Easy Virtue Distribution Limited and Easy Virtue Films Limited dated on or about the date of the Charge,

'UK Tax Credit Collateral' means all rights, title and interest in and to the UK Tax Credit, the UK Tax Credit Account, the UK Tax Credit Proceeds and the benefit of the UK Tax Credit Agreement,

'UK Tax Credit Proceeds' means the payable cash element in respect of the surrendered losses receivable by Easy Virtue Films Limited in respect of the UK Tax Credit for the Film,

'Undertaking' means the undertaking dated on or about the date of the Charge made by the Bank in favour of, inter alia, the Financier and the Chargor, and

'Unmatched Sums' means the Financier Sums less the Matched Sums



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 5781343
CHARGE NO. 3**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEED OF ASSIGNMENT AND
CHARGE DATED 12 FEBRUARY 2008 AND CREATED BY EASY
VIRTUE LIMITED FOR SECURING ALL MONIES DUE OR TO
BECOME DUE FROM THE COMPANY AND EASY VIRTUE
DISTRIBUTION LIMITED TO ENDGAME FUNDING, LLC (THE
'FINANCIER') ON ANY ACCOUNT WHATSOEVER WAS
REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE
COMPANIES ACT 1985 ON THE 21 FEBRUARY 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 25 FEBRUARY
2008



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES