



Registration of a Charge

Company name: **REGENCY ENTERTAINMENT (UK) LIMITED**

Company number: **11523673**



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Received for Electronic Filing: **27/05/2020**

Details of Charge

Date of creation: **22/05/2020**

Charge code: **1152 3673 0002**

Persons entitled: **JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT AND TRUSTEE FOR THE SECURED PARTIES (AS DEFINED IN THE DOCUMENT UPLOADED WITH THIS FILING). FOR MORE DETAILS PLEASE REFER TO THE DEBENTURE.**

Brief description: **ALL OF ITS RIGHTS, TITLE AND INTEREST IN THE INTELLECTUAL PROPERTY (AS DEFINED IN THE DOCUMENT UPLOADED WITH THIS FILING).**

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: **WE 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: **SIDLEY AUSTIN LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11523673

Charge code: 1152 3673 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd May 2020 and created by REGENCY ENTERTAINMENT (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th May 2020 .

Given at Companies House, Cardiff on 28th May 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

DATED 22 May **2020**

REGENCY ENTERTAINMENT (UK) LIMITED
as Chargor

AND

JPMORGAN CHASE BANK, N.A.
as Security Agent

DEBENTURE

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THIS DEBENTURE is dated 22 May 2020

BETWEEN

- (1) **REGENCY ENTERTAINMENT (UK) LIMITED**, a private limited company incorporated in England and Wales with company number 11523673 whose registered office is at 71 Queen Victoria Street, London, United Kingdom, EC4V 4BE (the "**Chargor**"); and
- (2) **JPMORGAN CHASE BANK, N.A.**, a national banking association as administrative agent and trustee for the Secured Parties (the "**Security Agent**") which expression shall include any person for the time being appointed as administrative agent for the purpose of, and in accordance with, the Credit Agreement.

BACKGROUND

- (A) Pursuant to the Credit Agreement and the Fundamental Documents (as defined in the Credit Agreement), as assurance for the repayment of the Loans and other Obligations of the Borrowers and the Guarantors thereunder, the Borrowers and the Guarantors (including the Chargor) are required to provide or cause to be provided to the Security Agent, for the benefit of itself and the Secured Parties a security interest in the Collateral pursuant to Article 8 thereof and the Foreign Security Documents.
- (B) Reference is made in this Debenture to a debenture originally dated 9 November 2018 and each debenture entered into by the Chargor in favour of the Security Agent in connection with the Credit Agreement thereafter made between the Chargor and the Security Agent (the "**Existing Debentures**").
- (C) The Chargor wishes to confirm that the security interests granted pursuant to the Existing Debentures continue in full force and effect in relation to the Credit Agreement (as defined below) and, such confirmation notwithstanding, to grant new security in connection with the Credit Agreement as set out in this Debenture.
- (D) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

NOW THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Debenture, words and expressions shall (unless otherwise expressly defined in this Debenture) have the meaning given to them in the Credit Agreement and:

"Book and other Debts" means all book debts (but excluding any Cash at Bank) and other monetary debts and claims from time to time due or owing to the Chargor and the benefit of all rights relating thereto, including, things in action which give rise or may give rise to a debt or debts including all the right, title and interest of the Chargor to and in any policies of insurance or assurance and the proceeds thereof;

"Cash at Bank" means all or any deposits, credit balances and other sums with any bank or financial institution and the accounts in respect of the same;

"Cash Collateral Account" means a collateral account established with the Security Agent in the name of the Security Agent, into which the appropriate Credit Parties shall from time to time deposit amounts pursuant to the express provisions of the Credit Agreement requiring or permitting such deposits. Except to the extent otherwise provided in Article 11 of the Credit Agreement, the Cash Collateral Account shall be under the sole dominion and control of the Security Agent;

"Charged Investments" means all Investments from time to time charged in favour of, or assigned (whether at law or in equity) to, the Security Agent by or pursuant to this Debenture;

"Charged Property" means, subject to any contrary indication, the undertaking and assets of the Chargor from time to time charged in favour of, or assigned (whether at law or in equity) to, the Security Agent by or pursuant to this Debenture;

"Claims" means the book and other debts and monetary claims referred to in Clause 3.2 or deriving from the Intellectual Property, or the Charged Investments;

"Collateral" shall mean with respect to the Chargor, all of the Chargor's right, title and interest in and to all of the following personal property, tangible and intangible, wherever located or situated and whether now owned or hereafter acquired or created, including goods, accounts, intercompany obligations, partnership and joint venture interests, contract rights, documents, chattel paper, general intangibles, goodwill, equipment, inventory, investment property, instruments, rights under copyrights, trademarks, trade names, insurance proceeds, cash and deposit accounts and any proceeds thereon, products thereof or income therefrom, further including but not limited to all of the Chargor's right, title and interest in and to each and every Film Asset and type and item of Product and/or Recorded Product, the scenario, screenplay or script upon which an item of Product and/or Recorded Product is based, all of the properties thereof, tangible and intangible, and all domestic and foreign copyrights and all other rights therein and thereto, of every kind and character, whether now in existence or hereafter to be made or produced, and whether or not in possession of the Chargor, including with respect to each and every Film Asset and item of Product and/or Recorded Product and without limiting the foregoing language, each and all of the following particular rights and properties (to the extent they are owned or hereafter created or acquired by the Chargor):

- (a) all scenarios, screenplays and/or scripts at every stage thereof;
- (b) all common law and/or statutory copyright and other rights in all literary and other properties (hereinafter called "said literary properties") which form the basis of each Film Asset and item of Product and/or Recorded Product and/or which are and/or will be incorporated into each Film Asset and item of Product and/or Recorded Product, all component parts of each Film Asset and item of Product and/or Recorded Product consisting of said literary properties, all motion picture rights in and to the story, all treatments of said story and said literary properties, together with all preliminary and final screenplays used and to be used in connection with the Film Asset or item of Product and/or Recorded

Product, and all other literary material upon which the Film Asset or item of Product and/or Recorded Product is based or from which it is adapted;

- (c) all rights for all media in and to all music and musical compositions used and to be used in each Film Asset and item of Product and/or Recorded Product, including, each without limitation, all rights to record, rerecord, produce, reproduce or synchronize all of said music and musical compositions, including, without limitation, reuse fees, royalties and all other amounts payable with respect to said music and musical compositions;
- (d) all tangible personal property relating to each Film Asset and item of Product and/or Recorded Product, including, without limitation, all exposed film, developed film, positives, negatives, prints, positive prints, answer prints, special effects, preparing materials (including interpositives, duplicate negatives, internegatives, color reversals, intermediates, lavenders, fine grain master prints and matrices, and all other forms of pre-print elements), sound tracks, cutouts, trims, master tapes and any and all other physical properties of every kind and nature relating to such Film Asset or item of Product and/or Recorded Product, whether in completed form or in some state of completion, and all masters, duplicates, drafts, versions, variations and copies of each thereof, in all formats whether on film, videotape, disk or otherwise and all music sheets and promotional materials relating to such Film Asset or item of Product and/or Recorded Product (collectively, the "**Physical Materials**");
- (e) all collateral, allied, subsidiary and merchandising rights appurtenant or related to each Film Asset and item of Product and/or Recorded Product including, without limitation, the following rights: all rights to produce remakes or sequels or prequels to each Film Asset and item of Product and/or Recorded Product based upon each Film Asset or item of Product and/or Recorded Product, said literary properties or the theme of each Film Asset and item of Product and/or Recorded Product and/or the text or any part of said literary properties; all rights throughout the world to broadcast, transmit and/or reproduce by means of television (including commercially sponsored, sustaining and subscription or "pay" television) or by any process analogous thereto, now known or hereafter devised, each Film Asset and item of Product and/or Recorded Product or any remake or sequel or prequel to the Film Asset or item of Product and/or Recorded Product; all rights to produce primarily for television or similar use a motion picture or series of motion pictures, by use of film or any other recording device or medium now known or hereafter devised, based upon each Film Asset or item of Product and/or Recorded Product, said literary properties or any part thereof, including, without limitation, based upon any script, scenario or the like used in each Film Asset and item of Product and/or Recorded Product; all merchandising rights including, without limitation, all rights to use, exploit and license others to use and exploit any and all commercial tie-ups of any kind arising out of or connected with said literary properties, each Film Asset and item of Product and/or Recorded Product, the title or titles of each Film Asset and item of Product and/or Recorded Product, the characters of each Film Asset and item of Product and/or Recorded Product or said literary properties and/or the names or characteristics of said characters and including further, without limitation, any and all commercial exploitation in connection with or related to

each Film Asset and item of Product and/or Recorded Product, any remake, sequel or prequel thereof and/or said literary properties;

- (f) all statutory copyrights, domestic and foreign, obtained or to be obtained on each Film Asset and item of Product and/or Recorded Product, together with any and all copyrights obtained or to be obtained in connection with each Film Asset and item of Product and/or Recorded Product or any underlying or component elements of each Film Asset and item of Product and/or Recorded Product, including, in each case without limitation, all copyrights on the property described in subparagraphs (i) through (v) inclusive of this definition, together with the right to copyright (and all rights to renew or extend such copyrights) and the right to sue in the name of the Chargor for past, present and future infringements of copyright;
- (g) all insurance policies and completion bonds connected with each Film Asset and item of Product and/or Recorded Product and all proceeds which may be derived therefrom;
- (h) all rights to distribute, sell, rent, license the exhibition of and otherwise exploit and turn to account each Film Asset and item of Product and/or Recorded Product, the Physical Materials and motion picture rights in and to the story, other literary material upon which each Film Asset and item of Product and/or Recorded Product is based or from which it is adapted, and said music and musical compositions used or to be used in each Film Asset and item of Product and/or Recorded Product;
- (i) any and all sums, proceeds, money, products, profits or increases, including money profits or increases (as those terms are used in the UCC) or other property obtained or to be obtained from the distribution, exhibition, sale or other uses or dispositions of each Film Asset, item of Product and/or Recorded Product, or any part of each Film Asset or item of Product and/or Recorded Product, including, without limitation, all sums, proceeds, profits, products and increases, whether in money or otherwise, from the sale, rental or licensing of each Film Asset and item of Product and/or Recorded Product and/or any of the elements of each Film Asset and item of Product and/or Recorded Product, including, without limitation, from collateral, allied, subsidiary and merchandising rights and further including, without limitation, all monies held in any Collection Account;
- (j) the dramatic, nondramatic, stage, television, radio and publishing rights, title and interest in and to each Film Asset and item of Product and/or Recorded Product, and the right to obtain copyrights and renewals of copyrights therein;
- (k) the name or title of each Film Asset and item of Product and/or Recorded Product and all rights of the Chargor to the use thereof, including, without limitation, rights protected pursuant to trademark, service mark, unfair competition and/or the rules and principles of law and of any other applicable statutes, common law, or other rule or principle of law;
- (l) any and all contract rights and/or chattel paper which may arise in connection with each Film Asset and item of Product and/or Recorded Product;

- (m) all accounts and/or other rights to payment which the Chargor presently owns or which may arise in favour of the Chargor in the future, including, without limitation, any refund or rebate in connection with a completion guaranty or otherwise, all accounts and/or rights to payment due from Persons in connection with the distribution of each Film Asset and item of Product and/or Recorded Product, and from exploitation of any and all of the collateral, allied, subsidiary, merchandising and other rights in connection with each Film Asset and item of Product and/or Recorded Product;
- (n) any and all "general intangibles" (as that term is defined in the UCC) not elsewhere included in this definition, including, without limitation, any and all general intangibles consisting of any right to payment which may arise in connection with the distribution or exploitation of any of the rights set out herein, and any and all general intangible rights in favour of the Chargor for services or other performances by any third parties, including actors, writers, directors, individual producers and/or any and all other performing or nonperforming artists in any way connected with each Film Asset and item of Product and/or Recorded Product, any and all general intangible rights in favour of the Chargor relating to licenses of sound or other equipment, licenses for any photograph or photographic or other processes, and any and all general intangibles related to the distribution or exploitation of each Film Asset and item of Product and/or Recorded Product including general intangibles related to or which grow out of the exhibition of each Film Asset and item of Product and/or Recorded Product and the exploitation of any and all other rights in each Film Asset and item of Product and/or Recorded Product set out in this definition;
- (o) any and all goods including, without limitation, inventory (as those terms are defined in the UCC) which may arise in connection with the creation, production or delivery of each Film Asset and item of Product and/or Recorded Product and which goods pursuant to any production or distribution agreement or otherwise are owned by the Chargor;
- (p) all and each of the rights, regardless of denomination, which arise in connection with the acquisition, creation, production, completion of production, delivery, distribution, or other exploitation of each Film Asset and item of Product and/or Recorded Product, including, without limitation, any and all rights in favour of the Chargor, the ownership or control of which are or may become necessary or desirable, in the opinion of the Security Agent, in order to complete production of each Film Asset and item of Product and/or Recorded Product in the event that the Security Agent exercises any rights it may have to take over and complete production of each Film Asset and item of Product and/or Recorded Product;
- (q) any and all documents issued by any pledgeholder or bailee with respect to the Film Asset or item of Product and/or Recorded Product or any Physical Materials (whether or not in completed form) with respect thereto;
- (r) any and all production accounts or other bank accounts established by the Chargor with respect to such Film Asset or item of Product and/or Recorded Product;

- (s) any and all rights of the Chargor under contracts relating to the production or acquisition of such Film Asset or item of Product and/or Recorded Product; and
- (t) any and all rights of the Chargor under Distribution Agreements relating to each Film Asset and item of Product and/or Recorded Product.

Notwithstanding the foregoing or any contrary provision herein or in any other Fundamental Document, and subject to Section 8.13 of the Credit Agreement, Collateral shall not include (A) any governmental licenses, permits, authorizations or agreements of the Chargor, any rights of the Chargor under any governmental licenses, permits, authorizations or agreements and the issued and outstanding capital stock or other Equity Interests directly or indirectly owned by the Chargor and any proceeds of any of the foregoing, in each case, to the extent that pursuant to the terms of such governmental licenses, permits, authorizations or agreements, the granting of a security interest in such governmental licenses, permits, authorizations or agreements, in such rights, in such stock or Equity Interest or in the proceeds of any of the foregoing, as applicable, would result in a termination or right of termination of, or is otherwise prohibited under, such governmental licenses, permits, authorizations or agreements by the other party thereto or by Applicable Law, but only to the extent such prohibition on assignment is enforceable; provided, however, that immediately upon the ineffectiveness, lapse or termination of any such provision, the Collateral shall include, and the Chargor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect; provided, further, that the Chargor hereby covenants to use their commercially reasonable efforts consistent with industry practice not to enter into any agreement that would exclude such rights from the Collateral in the future, (B) any "intent-to-use" application for registration of a Trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto, solely to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable United States federal law, (C) any motor vehicles and other assets subject to a certificate of title provided, that, in the case of any aircraft now owned or hereafter acquired, proceeds of any Borrowing (as defined in the Credit Agreement) or Letter of Credit (as defined in the Credit Agreement) shall not be used by the Chargor to purchase or operate any such aircraft at any time, (D) deposit accounts used solely as a tax or payroll account, escrow account, trust account, flexible spending benefit account or pension account and (E) stock in excess of 65% of the stock of any Controlled Foreign Corporation the Borrowers and the Guarantors have elected to pledge only 65% of in accordance with Section 5.22 of the Credit Agreement. For the avoidance of doubt, Collateral shall not include any real property of the Chargor whether owned or leased;

"Credit Agreement" means the Seventh Amended and Restated Credit, Security, Guaranty and Pledge Agreement dated as of the date hereof (as may be further amended, supplemented, amended and restated, or otherwise modified, renewed or replaced from time to time) among Monarchy Enterprises Holdings B.V., a Netherlands corporation, Monarchy Enterprises S.À R.L., a private limited liability company (société à responsabilité limitée) incorporated and organized under the laws of Luxembourg acting through its Swiss branch office, and Regency Entertainment

(USA), Inc., a California corporation, the Guarantors named therein, the Lenders referred to therein, and the Security Agent as Administrative Agent and Issuing Bank;

"Credit Party" shall mean each of the Borrowers and Guarantors;

"Default Rate" means if the Chargor shall default in the payment of any amount due hereunder after written notification from the Security Agent to the Chargor of such amount, until such time as such default is cured or waived, the Chargor shall on demand in writing from time to time pay interest, to the extent permitted by law, on all overdue amounts outstanding up to the date of actual payment of such defaulted amount (after as well as before judgment) (i) for the remainder of the then current Interest Period for each Eurodollar Loan, at 2% in excess of the rate then in effect for each such Eurodollar Loan, and (ii) for all periods subsequent to the then current Interest Period for each Eurodollar Loan, for all Alternate Base Rate Loans and for all other overdue amounts under the Credit Agreement, at 2% in excess of the rate then in effect for Alternate Base Rate Loans;

"Encumbrance" means a mortgage, charge, pledge, lien or any other encumbrance or security interest of any kind (other than a lien arising in the ordinary course of business by operation of law) or any other type of preferential arrangement (including title transfer and retention arrangements) having a similar effect;

"Event of Default" shall have the meaning given to such term in Article 7 of the Credit Agreement;

"English Security Agreements" shall mean all security agreements necessary, as reasonably determined by the Security Agent, to create a security interest under the laws of England in the assets of any Credit Party as and if it becomes necessary to create a security interest in favour of the Security Agent in the material assets of such Credit Party located in the United Kingdom in favour of the Security Agent (for the benefit of the Secured Parties) in form and substance reasonably satisfactory to the Security Agent;

"Expenses" means (i) all reasonable out-of-pocket expenses incurred by the Security Agent or the Issuing Bank in connection with the transactions hereby contemplated and the syndication, preparation, execution, delivery, waiver or modification and administration of the Credit Agreement and any other documentation contemplated thereby, this Debenture, the Notes and the making of the Loans and the Letters of Credit, including but not limited to any internally allocated audit costs, the reasonable fees and disbursements of Sidley Austin LLP, counsel for the Security Agent and the Issuing Bank, and any other counsel that the Security Agent or the Issuing Bank shall retain (provided that the Security Agent shall not retain more than one primary counsel or more than one local counsel in each relevant jurisdiction), and the reasonable fees and expenses of technical or other consultants engaged by the Security Agent, (ii) all reasonable out-of-pocket expenses incurred by the Lenders in the enforcement or protection of the rights of the Lenders in connection with the Credit Agreement, this Debenture, the Notes or the Letters of Credit, and with respect to any action which may be instituted by any person other than the Credit Parties, the Issuing Bank or any Lender against the Security Agent, the Issuing Bank or any Lender in respect of the foregoing as a result of any transaction, action or non-action arising for the foregoing, (it being understood, however, that the Borrowers and the Chargor shall not, in connection with

any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees or expenses of more than one separate firm of attorneys for the Issuing Bank and all such Lenders), and (iii) any documentary taxes, assessments or charges made by any Governmental Authority against the Security Agent, the Issuing Bank and the Lenders by reason of the execution and delivery of the Credit Agreement, the Notes, this Debenture or the issuance of Letters of Credit. Notwithstanding anything to the contrary herein, prior to the occurrence and continuation of an Event of Default, the Borrowers and the Chargor shall not be responsible for the cost of more than one audit per year of either of the Borrower's or the Chargor's internal records;

"Film Asset" shall mean any screenplay, novel, treatment, outline and other literary property upon which any item of Product is to be based, copyright and other tangible and intangible asset in connection with any item of Product;

"Floating Charge" means the floating charge created under Clause 3.3(a);

"Foreign Security Documents" shall mean all security agreements necessary, as reasonably determined by the Security Agent, to create a security interest under the laws of the applicable foreign jurisdiction in which any Credit Party has material assets located outside the United States in favour of the Security Agent (for the benefit of the Secured Parties) in form and substance satisfactory to the Security Agent, including without limitation, the Dutch Security Agreements, the Luxembourg Security Agreements, the German Security Agreement, the French Security Agreements and the English Security Agreements;

"Fundamental Documents" shall mean this Debenture, the Credit Agreement, the Notes, the Pledgeholder Agreements, the Laboratory Access Letters, the Copyright Security Agreement, the Copyright Security Agreement Supplements, the Trademark Security Agreement, the Trademark Security Agreement Supplements, the Instrument of Assumption and Joinder, the Notices of Assignment and Irrevocable Instruction, the Foreign Security Documents, any Gem Document, the Fox Intercreditor Agreement, the Warner Intercreditor Agreement and each of the agreements delivered pursuant thereto, and any other ancillary documentation which is required to be or is otherwise executed by any of the Credit Parties and delivered to the Security Agent in connection with the Credit Agreement or any other Fundamental Document; provided however that Swap Agreements and Bank Product Agreements shall not be Fundamental Documents;

"Insolvency Act" means the Insolvency Act 1986, as the same may be amended, replaced or supplemented from time to time, including, without limitation, pursuant to the Insolvency Act 2000;

"Intellectual Property" means all letters patent, trade marks, service marks, designs, utility models, copyrights, design rights, applications for registration of any of the foregoing and rights to apply for them in any part of the world, moral rights, inventions, confidential information, know how and rights of like nature arising or subsisting anywhere in the world in relation to any of the foregoing, whether registered or unregistered, and the benefits of all licences and other rights to use any of the same now or hereafter belonging to the Chargor;

"Investments" means stocks, shares, debentures and other securities together with all rights to and relating to stocks, shares, debentures or other securities and any other assets, rights or interests relating thereto;

"Loans" means the loans made in accordance with the provisions of Article 2 of the Credit Agreement, whether made as Eurodollar Loans or as Alternate Base Loans (as defined therein), as permitted;

"Luna" means Luna Pictures Limited, a company incorporated under the laws of England and Wales;

"Product" shall mean any motion picture, film, television program or video tape produced for theatrical, non-theatrical or television release or for release in any other medium, in each case whether recorded on film, videotape, cassette, cartridge, disc or on or by any other means, method, process or device whether now known or hereafter developed including programming intended for initial release on television, the internet or any other digital platform, including cable, satellite or free television, SVOD, and made-for-television product including movies of the week and limited series, with respect to which a Borrower or one of its Restricted Subsidiaries (i) is the initial copyright owner or subsequently becomes the copyright owner or (ii) acquires an Equity Interest or distribution rights. The term "item of Product" shall include, without limitation, the scenario, screenplay or script upon which such item of Product is based, all of the properties thereof, tangible and intangible, and whether now in existence or hereafter to be made or produced, whether or not in possession of the Borrowers or the Chargor, and all rights therein and thereto, of every kind and character. All of the episodes of any television series for a "season" or production cycle, or all of the episodes of any long-form digital series for a "season" or production cycle, shall be collectively regarded as being one item of Product;

"Property Rights" means the benefit of contracts, agreements and covenants given or made by any person in connection with the use of the Charged Property and the benefit of any guarantees, indemnities or similar instruments given or made in connection with the same;

"Receiver" means a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Charged Property and that term will include any permitted appointee made under a joint and/or several appointment;

"Recorded Product" shall mean any audio embodiment of musical, spoken or other sounds regardless of the nature of the material object, such as discs, tapes or other phonorecords, in which such sounds are embodied;

"Secured Liability" means all and any liabilities arising as a result of the Chargor granting Security under this Debenture;

"Secured Obligations" means the obligations of the Borrowers and the Chargor, as guarantor, to make due and punctual payment of (i) principal of and interest on the Loans, the Commitment Fees, reimbursement obligations in respect of Letters of Credit and all other monetary obligations of the Borrowers owed to the Security Agent, the Issuing Bank or any Lender under the Credit Agreement, the Notes, other Fundamental Document or the Fee Letter, (ii) all amounts payable by the Borrowers to any Lender

(of Affiliate of a Lender) under any Swap Agreement which provides, by its terms, that it shall be secured by the Collateral, provided that (except where the applicable Hedge Counterparty is the Security Agent or one of its Affiliates) the Security Agent shall have received written notice thereof within 10 Business Days after execution of each such Swap Agreement and (iii) amounts payable to JPMorgan Chase Bank, N.A. in connection with any bank account maintained by any Borrower or any other Credit Party with JPMorgan Chase Bank, N.A. or any other banking service provided to any Borrower or any other Credit Party by JPMorgan Chase Bank, N.A. Notwithstanding the foregoing, the definition of "Secured Obligations" shall exclude any Excluded Swap Obligations of the Chargor;

"Secured Parties" means the Security Agent, any Receiver, the Administrative Agent, the Issuing Bank, each Lender, the Bank Product Providers and the Hedge Counterparties that are party to the Swap Agreements, in each case, from time to time party to the Credit Agreement, and each, a "Secured Party";

"Security" means the security from time to time constituted by or pursuant to this Debenture;

"Security Interest" means any mortgage, pledge, charge, hypothecation, lien, encumbrance, trust arrangement, contractual arrangement or assignment having the effect of security, conditional sale or other title retention agreement, combination of accounts or other security interest whatsoever, howsoever created or arising;

"Successor" in relation to any person means an assignee or successor in title of such person or any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of such first-mentioned person or to whom under such laws the same have been transferred;

"Tangible Movable Property" means all plant and machinery fixtures (including trade fixtures) and all other chattels now or at any time hereafter belonging to the Chargor (excluding any of the same for the time being forming part of its stock in trade or work in progress);

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York on the date of execution of the Credit Agreement.

1.2 Interpretations

Any reference in this Debenture to:

- (a) the **"Security Agent"**, the **"Lender"**, the **"Chargor"** or the **"Secured Parties"** shall be construed so as to include its or their (and any subsequent) successors and any permitted assignees and transferees in accordance with their respective interests;
- (b) a **"Clause"** shall, subject to any contrary indication, be construed as a reference to a clause hereof;
- (c) an **"Article"** shall, subject to any contrary indication, be construed as a reference to an article of the Credit Agreement thereof;

- (d) the term "**including**" shall be construed as meaning "**including without limitation**";
- (e) a "**person**" shall be construed as a reference to any person, firm, company, corporation, body corporate, unincorporated body, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (f) a "**schedule**" shall, subject to any contrary indication, be construed as a reference to a schedule hereto;
- (g) "**tax**" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or delay in paying any of the same);
- (h) "**value added tax**" shall be construed so as to include any similar tax which may be imposed in place thereof from time to time;
- (i) the "**winding-up**", "**dissolution**" "**liquidation**", "**insolvency**" or "**administration**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors (except in each case for the purpose of a reconstruction previously approved in writing by the Agent); and
- (j) notwithstanding anything in this Debenture to the contrary, the Security granted to the Security Agent under this Debenture and the exercise of any rights and remedies of the Security Agent under this Debenture are subject to the provisions of the Credit Agreement. In the event of any inconsistency or conflict between the terms of this Debenture and the Credit Agreement, the terms of the Credit Agreement shall prevail.

1.3 Save where the contrary is indicated, any reference in this Debenture to:

- (a) this Debenture or any other agreement or document shall be construed as a reference to this Debenture or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated substituted or supplemented (and so that any reference to this Debenture shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which is otherwise entered into pursuant to or in accordance with the provisions hereof); and
- (b) a statute or statutory provision shall be construed as a reference to such statute or statutory provision as the same may have been, or may from time to time whether before or after the date hereof be, amended, supplemented, consolidated, re-enacted and all instruments, orders, plans, regulations, bye-

laws, permission, directions and other subordinate legislation at any time made thereunder.

- 1.4 The table of contents, Clause and Schedule headings are for ease of reference only.
- 1.5 Words denoting the singular number only shall include the plural number also and vice versa.

1.6 Third party rights

A person who is not a party to this Debenture has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Debenture.

1.7 Designation

This Debenture is a Fundamental Document for the purposes of the Credit Agreement.

1.8 Disposition of Real Property

The terms of the other Fundamental Documents and of any side letters between the Parties in relation to the Fundamental Documents are incorporated into each Fundamental Document to the extent required for any purported disposition of any real property contained in any Fundamental Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.9 Charged Property

The absence of or incomplete details of any Charged Property in any definition or provision shall not affect the validity or enforceability of any Security under this Debenture.

1.10 Validity of Charges

Clauses 3.1 to 3.2(a)(vii) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment over each relevant asset within any particular class of assets defined in this Debenture and the failure to create an effective mortgage, fixed charge or assignment (whether arising out of this Debenture or any act or omission by any party) over any one asset shall not affect the nature or validity of the mortgage, charge or assignment imposed on any other asset whether within that same class of assets or not.

THE SECURED OBLIGATIONS

2. COVENANT TO PAY THE SECURED OBLIGATIONS

- 2.1 The Chargor covenants with the Security Agent that it shall on demand, discharge and pay the Secured Obligations and all Expenses when due.

2.2 Indemnities

The Chargor hereby indemnifies and agrees to keep indemnified the Security Agent, the Issuing Bank, and the Lenders and their respective directors, officers, employees, trustees and agents (to the full extent permitted by law) from and against all liabilities, costs, charges, losses and Expenses suffered or incurred by them or any of them arising from or as a result of:

- (a) the execution or the purported execution of any powers, authorities or discretions vested in any of them pursuant hereto;
- (b) any matter or thing done or omitted by the Chargor or the Borrowers or in any way relating to the provisions hereof;
- (c) any breach by the Chargor of any of its covenants or other obligations to the Security Agent hereunder; or
- (d) the enforcement of any of the provisions hereof,

or from or as a result of any action, claim or proceeding relating to any of the above.

2.3 Interest

- (a) If unpaid within 3 days after written demand, the Chargor agrees with the Security Agent to pay interest on all sums covenanted to be paid or indemnified under Clauses 2.1 and 2.2 from, the date of demand until payment (after as well as before judgment or the liquidation, administration or other incapacity of the Chargor) at the Default Rate.
- (b) Such interest shall be compounded on the expiry of such periods as the Security Agent may select in accordance with the usual practice of the Security Agent in the event of it not being punctually paid, but without prejudice to the right of the Security Agent to require payment of such interest.

THE SECURITY

3. FIXED CHARGES, ASSIGNMENTS, AND FLOATING CHARGES

Subject to Clauses 3.3(b) and 3.3(c) the Chargor, with full title guarantee and with the intent that this security shall rank as a continuing security for all respective liabilities and obligations described in Clause 2, hereby:

3.1 FIXED CHARGES

- (a) Charges to the Security Agent by way of fixed charge each of the following, namely:
 - (b) **Tangible Movable Property**
All the Tangible Movable Property;
 - (c) **Accounts with the Security Agent**

All rights and claims to which the Chargor is now or may hereafter become entitled in relation to all moneys now or at any time hereafter standing to the credit of any bank accounts opened or maintained with the Security Agent together with all rights relating or attaching thereto (including the right to interest);

(d) **Cash Collateral Account**

All rights in and to the Cash Collateral Account, all cash, documents, instruments and securities from time to time held therein, and all rights pertaining to investments of funds in the Cash Collateral Account and all products and proceeds of any of the foregoing;

(e) **Intellectual Property**

The Intellectual Property;

(f) **Investments**

All Investments to which the Chargor is now or may hereafter become entitled including the Investments;

(g) **Goodwill**

All goodwill (including all brand names not otherwise subject to a fixed charge or assignment by or pursuant to this Debenture) now or at any time hereafter belonging to the Chargor;

(h) **Property Rights**

All Property Rights from time to time belonging to the Chargor;

(i) **Book and other Debts**

All Book and other Debts;

(j) **Collateral**

All the Collateral from time to time;

3.2 **ASSIGNMENTS**

(a) Assigns absolutely to the Security Agent all the Chargor's right, title and interest in and to each of the following:

(i) **Tangible Moveable Property Rights**

All rights and claims to which the Chargor is now or may hereafter become entitled in relation to the Tangible Movable Property including those against any manufacturer, supplier or installer of such property, any builder, contractor or professional adviser engaged in relation to any such property and any guarantor or surety for the obligations of such

person and, to the extent that any of the Tangible Movable Property is now or at any time hereafter hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any guarantee, indemnity or security for the performance of the obligations of such person and any other rights and benefits relating thereto;

(ii) **Insurance**

All rights and claims to which the Chargor is now or may hereafter become entitled in relation to the proceeds of any policy of insurance;

(iii) **Book and other Debts**

All present and future Book and other Debts which are not otherwise subject to a fixed charge or assigned (whether at law or in equity) to the Security Agent by or pursuant to this Debenture and all rights relating thereto including any security or remedies therefor;

(iv) **Cash Collateral Account**

All rights in and to the Cash Collateral Account, all cash, documents, instruments and securities from time to time held therein, and all rights pertaining to investments of funds in the Cash Collateral Account and all products and proceeds of any of the foregoing. All cash, documents, instruments and securities from time to time on deposit in the Cash Collateral Account, and all rights pertaining to investments of funds in the Cash Collateral Account shall immediately and without any need for any further action on the part of any of the Borrowers or Restricted Subsidiaries, the Issuing Bank, any Lender or the Security Agent, become subject to the Lien set forth in Section 11.3 of the Credit Agreement, be deemed Collateral for all purposes hereof and be subject to the provisions of the Credit Agreement;

(v) **Uncalled Capital**

All rights and claims to which the Chargor is now or may hereafter become entitled in relation to its uncalled capital;

(vi) **Collateral**

All the Collateral which is not otherwise subject to a fixed charge or assigned (whether at law or in equity) to the Security Agent pursuant to this Debenture and all rights relating thereto including any security or remedies therefor;

(vii) **Section 238, 239 and 244 orders**

All rights to which the Chargor is now or may hereafter become entitled in respect of the proceeds of any order of the court made pursuant to Section 238(3), 239(3) or 244 of the Insolvency Act.

3.3 FLOATING CHARGE

- (a) Charges in favour of the Security Agent with the payment and discharge of the Secured Obligations by way of floating charge all rights and claims to which the Chargor is now or may hereafter become entitled in relation to (i) all moneys now or at any time hereafter standing to the credit of any bank accounts opened or maintained with any bank other than the Security Agent and all rights relating or attaching thereto (including the right to interest), and (ii) the whole of the Chargor's undertaking and assets, present and future, other than any assets for the time being effectively charged to the Security Agent by way of fixed charge or effectively assigned (whether at law or in equity) to the Security Agent or otherwise subject to an effective fixed security in favour of the Security Agent.
- (b) Notwithstanding the foregoing or any contrary provision in the Credit Agreement or in any other Fundamental Document, and subject to Section 8.13 of the Credit Agreement, Collateral shall not include, and the floating charge created by this Debenture shall not include: (i) rights of the Chargor under any agreement to the extent that pursuant to the terms of such agreement, the granting of a security interest in such rights would result in a termination or right of termination of, or is otherwise prohibited under, such agreement by the other party thereto, but only to the extent such prohibition on assignment is enforceable; provided, however, that pursuant to the Credit Agreement the Chargor covenants to use its commercially reasonable efforts consistent with industry practice not to enter into any agreement that would exclude such rights from the Collateral in the future, or (ii) any of the Chargor's bank accounts specified in Schedule 2 or any other operating current or production accounts of the Chargor from time to time save to the extent that such bank accounts are charged by way of floating charge under Clause 3.3(a) and provided that the Chargor hereby warrants that the said bank accounts specified in Schedule 2 are operating accounts.
- (c) The charges and assignments pursuant to Clause 3 are made subject to and rank in priority behind only those existing charges and provisions contained in the documents which are Permitted Encumbrances.
- (d) Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created pursuant to Clause 3.3(a).

3.4 REDEMPTION OF SECURITY

Upon and subject to:

- (a) the Secured Parties not being under any commitment, obligation or liability (whether actual or contingent) to make advances or provide other financial accommodation to the Chargor under or pursuant to the Credit Agreement or to any other person in respect of whose liabilities the Chargor has undertaken a Secured Liability to the Security Agent (whether for its own account or as trustee); and
- (b) the Chargor no longer having any Secured Obligations (whether actual or contingent) to the Security Agent (whether for its own account or as trustee)

under or pursuant to the Credit Agreement in respect of any matter or thing whatsoever as soon as reasonably practicable thereafter and at the request and cost of the Chargor,

the Security Agent shall (but subject to the rights and claims of any person having prior rights thereto) reassign to the Chargor the property and assets assigned to the Security Agent by or pursuant to this Debenture and release or otherwise discharge the Security but any such reassignment, release or discharge shall be subject to Clause 17.

3.5 DEPOSITS

All moneys now or at any time hereafter standing to the credit of any bank accounts (whether deposit or current accounts or otherwise howsoever designated) opened or maintained by the Chargor with the Security Agent and all or any rights and benefits relating thereto shall be incapable of assignment other than to the Security Agent pursuant to this Debenture (and each deposit of any such moneys shall be made on such terms accordingly) and the Chargor shall not purport to assign or otherwise dispose of any interest in any such moneys or any such rights and benefits.

4. RIGHTS ATTACHING TO THE CHARGED INVESTMENTS

4.1 Subject to Clause 4.2, all rights and powers conferred by statute or otherwise upon an absolute owner thereof shall:

- (a) with respect to any shares charged or assigned by or pursuant to this Debenture and registered in the name of the Security Agent or its nominee(s), be exercised as the Chargor charging or assigning such shares may direct; and
- (b) with respect to any shares agreed to be assigned or charged by or pursuant to this Debenture and registered in the name of the Chargor or its nominee(s), be exercised by the Chargor.

4.2 With respect to the Chargor's rights and powers relating to any of the Charged Investments:

- (a) such rights shall not be exercised in any manner which in the opinion of the Security Agent is inconsistent with the security intended to be conferred on the Security Agent by or pursuant to this Debenture or any other security document to which the Chargor is a party;
- (b) the Chargor shall not, without the prior written consent of the Security Agent, by the exercise of any of such rights or otherwise, permit or agree to any variation of the rights attaching to or conferred by any of the Charged Investments, participate in any rights issue, elect to receive or vote in favour of receiving any dividends other than in the form of cash or participate in any vote concerning a members voluntary winding-up or a compromise or arrangement pursuant to Part 26 of the Companies Act 2006; and
- (c) after the occurrence of an Event of Default which is continuing unwaived (and without any consent or authority on the part of the Chargor) the Security Agent and its nominee(s) may at the Security Agent's discretion (in the name of the

Chargor or otherwise) exercise or cause to be exercised in respect of any of the Charged Investments any voting rights or rights to receive dividends, interest, principal or other payments of money, as the case may be, forming part of the Charged Investments and all other powers and rights conferred on or exercisable by the bearer or holder thereof.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCE

5.1 The Chargor shall from time to time, at the request of the Security Agent, do any act or execute in favour of the Security Agent or as it may direct such further or other legal or other assignments, transfers, mortgages, charges or securities as in each case the Security Agent shall stipulate, in such form as the Security Agent may reasonably require, for the perfection of the Security intended to be conferred on the Security Agent by or pursuant to this Debenture including any act or any document which may be required or desirable under the laws of any jurisdiction in which any property and assets equivalent or similar to the Security intended to be conferred by or pursuant to this Debenture or to facilitate the realisation thereof or the exercise of any and all powers, authorities and discretions intended to be vested in the Security Agent or any Receiver by or pursuant to this Debenture.

5.2 5.2 The Chargor shall take all such action as is available to it:

- (a) to perfect, protect and maintain the security intended to be conferred on the Security Agent by or pursuant to this Debenture; and
- (b) to make all such filings and registrations and to take all such other steps as may be necessary in connection with the creation, perfection, protection or maintenance of any security which it may, or may be required to, create in connection herewith.

5.3 If so requested by the Security Agent, the Chargor shall deliver to the Security Agent (or procure delivery to the Security Agent of), and the Security Agent shall be entitled to hold and retain, all (or such part thereof as may from time to time be specified by the Security Agent) of the Charged Investments or the certificates and other documents of title to or representing the same held or acquired by the Chargor or its nominee(s) together with, in each case in form and substance reasonably satisfactory to the Security Agent :

- (a) if any of the Charged Investments is not in the sole name of the Chargor, a declaration of trust in respect of such Charged Investment in favour of the Chargor executed by each person other than the Chargor in whose name such Charged Investment is registered or held;
- (b) an instrument or instruments of or relating to the transfer or assignment of such of the Charged Investments as may have been specified by the Security Agent (with the name of the transferee or assignee, the consideration and the date left blank, but otherwise duly completed) executed by each person in whose name any of such Charged Investments is registered or held; and

- (c) any other document or thing which the Security Agent may reasonably specify with a view to perfecting or improving its security over the Charged Investments.
- 5.4 The Security Agent may on the occurrence of any of the matters referred to in Clause 6.2 or pursuant to the Credit Agreement at any time and from time to time have any of the Charged Investments registered in its name or in the name of, or otherwise have the same held by, one or more nominees on its behalf.
- 5.5 The obligations of the Chargor under this Clause 5 shall be in addition to and not in substitution for the covenants for title deemed to be included in this Debenture by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994.
- 6. **CRYSTALLISATION OF FLOATING CHARGE**
- 6.1 The Chargor shall be able to freely deal with its Cash at Bank (except for Cash at Bank held in accounts opened or maintained with the Security Agent or in the Cash Collateral Account), or other Charged Property which is subject to a Floating Charge, in the ordinary course of business until the occurrence of an Event of Default which is continuing unwaived.
- 6.2 Subject to Clause 10.9, without prejudice to any rule of law which may have a similar effect, the Floating Charge shall automatically be converted with immediate effect into a fixed charge as regards all the assets subject to the Floating Charge and without notice from the Security Agent to the Chargor on:
 - (a) the presentation of a petition for the compulsory winding-up of the Chargor (i) which is not opposed or withdrawn within 60 days from the date of the date of service of the same or (ii) which results in the entry of any order for relief against the Chargor;
 - (b) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Chargor;
 - (c) the presentation of a petition for the making of an administration order in relation to the Chargor (i) which is not opposed or withdrawn within 60 days from the date of the date of service of the same or (ii) which results in the entry of any order for relief against the Chargor;
 - (d) the presentation or making of an application for a warrant of execution, writ of fieri facias, garnishee order or charging order in respect of any of the assets of the Chargor subject to the floating charge relating to a debt or debts owing by the Chargor of an amount in excess of \$5,000,000 US dollars or its equivalent in other currencies which shall not have been discharged or stayed pending appeal within 30 days from the entry of a final order of affirmation of appeal; or
 - (e) an Event of Default which is continuing unwaived.

7. REPRESENTATIONS AND COVENANTS

7.1 The Chargor represents and warrants to, and covenants with, the Security Agent for its own benefit that:

- (a) subject to the Debenture it has, and will at all times during the subsistence of the Security have, legal title to and is, and at all times during the subsistence of the Security will be, entitled to the entire beneficial interest in the Charged Property free from any Encumbrance (other than an Encumbrance created by or pursuant to this Debenture or a Permitted Encumbrance);
- (b) except in accordance with the provisions of this Debenture or the Credit Agreement or as otherwise agreed in writing by the Security Agent, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any lease or licence of or otherwise disposed of or agreed to dispose of the benefit of all or any of its right, title and interest in and to all or any part of the Charged Property;
- (c) it shall not create or permit to subsist any Security Interest over all or any part of the Charged Property other than as permitted under the Credit Agreement;
- (d) it shall not, without the prior written consent of the Security Agent, create, attempt to create, agree to create or permit to subsist any Security Interest or permit or agree to permit any other proprietary right, right to occupy or interest therein to arise on or affect all or any part of the Charged Property (other than a Permitted Encumbrance);
- (e) it shall not part with possession of, transfer, sell, lease, licence or otherwise dispose of all or any part of the Charged Property, any interest therein, grant any option to do the same or attempt or agree so to do (whether by a single or a series of transactions) except for (i) the merger by any solvent Guarantor (other than a Borrower) into or the transfer of all of its assets to MEH, REUSA or another Guarantor if after such merger no Default or Event of Default exists; (ii) licenses for the distribution, exhibition or other exploitation of Product and Recorded Product pursuant to Distribution Agreements entered into in the ordinary course of business (iii) outright sales of the Product and Recorded Product within the ordinary course of business (i.e., no library sales); (iv) outright sales of non-film assets sold for fair market value, (v) sales or other dispositions of assets (other than items of Product or Recorded Product) in the ordinary course of business which are obsolete or no longer useful in the operation of the businesses of the Borrowers or the Restricted Subsidiaries; (vi) isolated sales of an individual motion picture in the ordinary course of business, (vii) and upon the satisfaction in full of the Merger Conditions, the Merger Transaction, and (viii) or any other transactions permitted under the Credit Agreement PROVIDED that the restrictions under this Clause 7.1(e) shall not apply to such of the Charged Property as is charged pursuant to Clause 3.3(a) only and not otherwise where any such disposals are made in the ordinary course of trading as it is now conducted for full value and for the purpose of carrying on its business;

- (f) it has, and will at all times during the subsistence of the Security have, the necessary power to enable it to enter into and perform the obligations expressed to be assumed by it under this Debenture;
- (g) it has obtained, and will at all requisite times during the subsistence of the Security obtain, all consents necessary to ensure that no other party to any agreement or arrangement entered into by the Chargor becomes entitled to terminate such agreement or arrangement as a consequence of the Chargor entering into this Debenture;
- (h) otherwise than the registration of this charge pursuant to Part 25 of the Companies Act 2006 all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents or the like) in order:
 - (i) to enable it lawfully to enter into and perform and comply with its obligations under or pursuant to this Debenture and to ensure that those obligations are valid, legally binding and enforceable;
 - (ii) to enable it to create the Security and to ensure that (subject to all necessary registrations thereof being made) the Security is valid, legally binding and enforceable and has and will have the ranking which it is expressed to have; and
 - (iii) to make this Debenture admissible in evidence in the courts of England and (if different) its jurisdiction of incorporation and each other jurisdiction in which any part of the Charged Property is located,

have been taken, fulfilled and done;
- (i) this Debenture constitutes, and will continue during the subsistence of the Security to constitute, legal, valid, binding and enforceable obligations of the Chargor and has and will have the ranking it is expressed to have and is and will continue (subject to any post completion registration procedures) during the subsistence of the Security, to constitute a security over the Charged Property effective in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, reorganisation and similar laws affecting creditors' rights and remedies generally and to general principles of equity, whether enforcement is considered in a proceeding in equity or at law, and the discretion of the court before which any proceeding thereof may be brought;
- (j) neither its entry into, nor its performance of or compliance with its obligations under or pursuant to, this Debenture nor the creation of the Security does or will violate or exceed any borrowing or other powers or restrictions granted or imposed under or pursuant to:
 - (i) any law to which it is subject except where such violation or non-compliance would not have a Material Adverse Effect;

- (ii) any agreement or other instrument binding on it except where such violation or non-compliance would not have a Material Adverse Effect; and
 - (iii) its Memorandum and Articles of Association or its charter or other governing instrument;
- (k) it has not taken any corporate action nor have any other steps been taken or legal proceedings been started or, to the best of its knowledge and belief, threatened against it for its winding up, liquidation, administration, dissolution or re-organisation or for the appointment of a receiver, administrative receiver, Security Agent or similar officer of any or all of its assets or revenues; and
- (l) it will execute and deliver to each bank where it maintains an account, which is charged or assigned pursuant to Clauses **Error! Reference source not found.** or **Error! Reference source not found.**, and to each trustee where such trustee maintains an account on behalf of the Chargor with such banks a notice of charge over such account in the form set out in substantially the same format as in Schedule 1, and in the case of any account charged pursuant to Clause 3.3(a), the Chargor will provide written notification to such bank of the Floating Charge thereby created.

8. GENERAL UNDERTAKINGS

8.1 Intellectual Property

The Chargor shall during the subsistence of the Security:

- (a) take all such steps and do all such acts as may be necessary to maintain the subsistence and the validity of the Intellectual Property of the Chargor and, where appropriate, use its best endeavours to protect and safeguard such Intellectual Property from and against theft, loss, destruction, unauthorised access, copying or use by third parties;
- (b) without prejudice to its obligations in Clause 8.1(a) above, pay all renewal and other fees which may become payable in respect of any of such Intellectual Property before or as soon as the same become due and produce to the Security Agent on written demand a receipt for such fees or other evidence of payment thereof;
- (c) without prejudice to its obligation in Clauses 8.1(a) and 8.1(b) above, not, without the prior written consent of the Security Agent, abandon, cancel or allow any of such Intellectual Property to become void, lapse or to become vulnerable to attack for non-use or otherwise;
- (d) use its best endeavours to police against and detect any infringement of, or detect any challenge to, any of such Intellectual Property and, immediately after becoming aware of any material infringement thereof or material challenge thereto, inform the Security Agent thereof and, at the request of the Security Agent but at the cost of the Chargor, take such steps in relation to the settlement of any legal proceedings brought or defended in relation thereto; subject always,

in the case of any material infringement or material challenge, to any directions given by the Security Agent, the Chargor shall not be precluded from taking such steps as it shall consider necessary in relation to any infringement of or challenge to any of such Intellectual Property;

- (e) not, without the prior consent of the Security Agent, apply to amend the specification or drawing of any of the letters patent forming part of such Intellectual Property or apply to alter the specification of any of the registered trade or service marks forming part of such Intellectual Property or enter any conditions or restrictions or disclaimers in relation to any such registered Intellectual Property; and
- (f) not use or allow to be used, or take any step or omit to take any step in respect of, any such Intellectual Property in any way which may materially and adversely affect the value thereof.

8.2 Charged Investments

The Chargor shall during the subsistence of the Security pay on the same becoming due all calls or other payments which may be or become due in respect of any of the Charged Investment, and in any case of default by the Chargor in this respect, the Security Agent may if it thinks fit make any such payment on behalf of the Chargor in which event any sums so paid by the Security Agent shall be reimbursed by the Chargor to the Security Agent on demand and shall carry interest from the date of payment by the Security Agent until so reimbursed at the rate and otherwise as mentioned in Clause 2.3.

ENFORCEMENT

9. EXTENSION AND VARIATION OF THE LAW OF PROPERTY ACT 1925

9.1 Power of Sale

- (a) Notwithstanding any other provisions of this Debenture, the Secured Obligations shall be deemed for the purposes of Section 101 of the Law Act 1925 to have become due and payable within the meaning of Section 101 of the Law of Property Act 1925, and the power of sale and other powers conferred on mortgagees by the Law of Property Act 1925 as varied or extended by this Debenture including the power to appoint a receiver or an administrative receiver shall arise, immediately upon an Event of Default which is continuing unwaived.
- (b) Section 103 of the Law of Property Act 1925 shall not restrict the exercise by the Security Agent of the statutory power of sale conferred on it by Section 101 of that Act, which power may be exercised by the Security Agent without notice to the Chargor on or at any time after the occurrence of an Event of Default which is continuing unwaived and the provisions of the said Act relating to and regulating the exercise of the said power of sale shall, so far as they relate to the Charged Property, be varied and extended accordingly.

9.2 Consolidation

The Security Agent shall, so far as it is lawful, be entitled to consolidate all or any of the Security with any other securities whether now in existence or hereafter created. The restriction on the right of consolidating mortgage securities which is contained in sub-section 93(1) of the Law of Property Act 1925 shall not apply to this Debenture.

10. ENTRY INTO POSSESSION, SECURITY AGENTS POWERS AND APPOINTMENT, REMOVAL AND STATUS OF RECEIVER

- 10.1 On or at any time after the occurrence of an Event of Default which is continuing unwaived, the Security Agent may take possession of and hold all or any part of the Charged Property and Security Agent may, whether or not the Security Agent shall have appointed a Receiver, exercise all or any of the powers conferred on mortgagees by the Law of Property Act 1925 as varied or extended by this Debenture and all the powers, authorities and discretions conferred by this Debenture expressly or by implication on any Receiver or otherwise conferred by statute or common law on mortgagees or receivers.
- 10.2 On or at any time after the occurrence of an Event of Default which is continuing unwaived or after having been requested to do so by the Chargor, the Security Agent may, without notice to the Chargor, appoint one or more persons to be a Receiver (individually or together with any other or additional persons appointed or substituted as Receiver). The Security Agent may:
- (a) (so far as it is lawfully able) remove any Receiver; and
 - (b) appoint another person or persons as Receiver or Receivers either in the place of a Receiver who has been so removed or who has ceased to act or to act jointly with any other Receiver.
- 10.3 The foregoing powers of appointment of a Receiver shall be in addition to, and not to the prejudice of, all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 as extended by this Debenture or otherwise and all such powers of appointment shall be and remain exercisable by the Security Agent in respect of any part of the Charged Property in respect of which no appointment of a Receiver by the Security Agent shall from time to time be subsisting and notwithstanding that an appointment under the provisions of this Clause 10 shall have subsisted and been withdrawn in respect of that property or shall be subsisting in respect of any other part of the Charged Property.
- 10.4 Every appointment or removal of any Receiver, and every delegation, appointment or removal by the Security Agent in the exercise of any right to delegate its powers or remove delegates contained in this Debenture, may be made by deed or by instrument in writing under the hand of any officer or manager of the Security Agent or any person authorised for such purpose by the Security Agent or any such officer or manager.
- 10.5 If at any time any two or more persons shall hold office as Receivers of the same part of the Charged Property, each one of such Receivers shall be entitled (unless the contrary shall be stated in the instrument appointing him) to exercise all the powers and discretions hereby conferred on Receivers individually as well as jointly and to the exclusion of the other or others of them.

- 10.6 Each Receiver shall be deemed at all times and for all purposes to be the agent of the Chargor which shall be solely responsible for his acts and defaults and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent.
- 10.7 Neither the Security Agent nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any part of the Charged Property to which a mortgagee in possession might as such be liable except for acts of wilful misconduct or gross negligence.
- 10.8 Section 109(1) of the Law of Property Act 1925 shall not apply to this Debenture.
- 10.9 At any time after the Security created by this Debenture has become enforceable, to the extent that any of the Charged Property constitutes "financial collateral" and this Debenture and the obligations of the Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**")) the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargor. For this purpose, the Parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the bank accounts opened or maintained with the Security Agent, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of Investments, the market price of such Investments determined by the Security Agent by reference to a public index or by such other process as the Security Agent may select, including independent valuation. In each case, the Parties agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.
- 10.10 **Effect of moratorium**

The Security Agent may not appoint a Receiver by reason only of a moratorium being obtained or any steps being taken to obtain a moratorium pursuant to Schedule 1A of the Insolvency Act.

11. POWERS OF RECEIVER

- 11.1 Every Receiver shall (subject to any limitations or restrictions expressed in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have, in relation to the Charged Property or, as the case may be, that part of the Charged Property in respect of which he was appointed, and as varied and extended by the provisions of this Debenture:
- (a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;
 - (b) all the powers of an administrative receiver set out in schedule 1 to the Insolvency Act (and whether or not the Receiver is in fact an administrative

receiver) and (in the event that the Receiver is an administrative receiver) all the other powers exercisable by an administrative receiver by virtue of the provisions of the Insolvency Act; and

- (c) power in the name or on behalf and at the cost of the Chargor to exercise all the powers and rights of an absolute owner and to do or omit to do anything which the Chargor itself could do or omit to do.

11.2 In addition and without prejudice to the generality of the foregoing, every Receiver shall (subject to any limitations or restrictions expressed in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have the following powers (and every reference in this Clause 11.2 to the "**Charged Property**" shall be read as a reference to that part of the Charged Property in respect of which such Receiver was appointed):

(a) **Take Possession**

Power to take immediate possession of, collect and get in the Charged Property including income whether accrued before or after the date of his appointment and for that purpose to make, or to require the directors of the Chargor to make, calls conditionally or unconditionally upon the holders of the Chargor's share capital in respect of any such capital of the Chargor which remains uncalled and to enforce payment of calls so made and any previous unpaid calls by taking proceedings in the name of the Chargor or in his own name;

(b) **Proceedings and Claims**

Power to bring, prosecute, enforce, defend and abandon applications, claims, disputes, actions, suits and proceedings in connection with the business of the Chargor or all or any part of the Charged Property or the Security in the name of the Chargor or in his own name and to submit to arbitration, negotiate, compromise and settle any such applications, claims, disputes, actions, suits or proceedings and in addition to take or defend proceedings for the compulsory winding-up of the Chargor and proceedings for directions under section 35(1) of the Insolvency Act 1986;

(c) **Carry on Business**

Power to carry on and manage, or concur in the carrying on and management or to appoint a manager of, the whole or any part of the Chargor's business in such manner as he shall in his absolute discretion think fit including the power to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract to which the Chargor or any other body corporate (including any referred to in Clause 11.2(f)) and its business and the conduct thereof and to change the situation of the registered office of the Chargor or any such Subsidiary or other body corporate;

(d) **Deal with Charged Property**

Without the need to observe the restrictions imposed by Section 103 of the Law of Property Act 1925 or any need to observe all or any of the restrictions or

other provisions of Sections 99 and 100 of that Act, power, in relation to the Charged Property and each and every part thereof, to sell, transfer, convey, grant or accept surrenders of leases, vary, terminate or surrender leases, grant, vary or terminate licenses or rights of user (in each case with or without consideration) or concur in any of the foregoing by the Chargor or any other receiver or manager of the Chargor (including to or in relation to the Security Agent or any of the other Secured Party) in such manner and generally on such terms as he thinks fit including, without the consent of the Chargor, the severing and separate disposal from the premises to which they were affixed of fixtures and plant and machinery;

(e) **Acquisitions**

Power to purchase, lease, licence, hire or otherwise acquire any assets or rights of any description which he shall in his absolute discretion consider necessary or desirable for the carrying on, improvement or realisation of the whole or any part of the Charged Property or the business of the Chargor or otherwise for the benefit of the whole or any part of the Charged Property;

(f) **New Subsidiary**

Power to promote, procure the formation or otherwise acquire the share capital of, any body corporate with a view to such body corporate becoming a Subsidiary of the Chargor or otherwise and purchasing, leasing or otherwise acquiring an interest in the whole or any part of the Charged Property or carrying on any business in succession to the Chargor or any Subsidiary of the Chargor;

(g) **Insurance**

Power to effect, maintain or renew indemnity and other insurances and to obtain bonds and performance guarantees;

(h) **Employment**

Power to employ, engage, dismiss or vary the terms of employment or engagement of such employees, workmen, servants, officers, managers, agents and advisers on such terms as to remuneration and otherwise as he shall think fit including power to engage his own firm in the conduct of the receivership;

(i) **Borrowing**

Power to raise or borrow money from the Security Agent or the Secured Party or any other person to rank either in priority to the Security or any part of it or otherwise and with or without a mortgage or charge on the Charged Property or any part of it on such terms as he shall in his absolute discretion think fit (and no person lending such money shall be concerned to see or enquire as to the propriety or purpose of the exercise of such power or the application of money so raised or borrowed);

(j) **Redemption of Security**

Power to redeem, discharge or compromise any security whether or not having priority to the Security or any part of it;

(k) Covenants, Guarantees and Indemnities

Power to enter into bonds, covenants, guarantees, commitments, indemnities and other obligations or liabilities as he shall think fit and make all payments needed to effect, maintain or satisfy such obligations or liabilities; and

(l) Other Powers

(i) Power to do all such other things (including electing to charge value added tax or to treat supplies made by the Chargor as taxable supplies for the purposes of value added tax) as may seem to him to be incidental or conducive to any of the functions, powers, authorities or discretions conferred on or vested in him or to be conducive to the realisation of all or any part of the Security; and

(ii) Power to exercise any of the above powers on behalf of and in the name of the Chargor (notwithstanding any winding-up of the Chargor) or on his own behalf.

11.3 In making any sale or other disposal of any of the Charged Property or any acquisition in the exercise of their respective powers (including a disposal by a Receiver to any Subsidiary of the Chargor or other body corporate as is referred to in Clause 11.2(f)), a Receiver or the Security Agent may accept or dispose of as and by way of consideration for such sale or other disposal or acquisition, cash, shares, loan capital or other obligations, including consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may, if thought expedient by the Receiver or the Security Agent, be payable or receivable in a lump sum or by instalments. Any contract for any such sale, disposal or acquisition by the Receiver or the Security Agent may contain conditions excluding or restricting the personal liability of the Receiver or the Security Agent.

12. RECEIVER'S REMUNERATION

Every Receiver shall be entitled to reasonable remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent) appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted in accordance with his current practice or the current practice of his firm and without being limited to the maximum rate specified in Section 109(6) of the Law of Property Act 1925.

13. APPLICATION OF MONEYS

13.1 Moneys received by a Receiver

All moneys received by any Receiver shall (subject to the rights and claims of any person having prior rights thereto) be applied in the following order:

- (a) in the payment of the costs, charges and expenses of and incidental to the Receiver's appointment and the payment of his remuneration;
- (b) in the payment and discharge of any liabilities incurred or payable by the Receiver whether on his own account or on behalf of the Chargor in the exercise of any of the powers of the Receiver including the costs of realisation of that part of the Charged Property in respect of which he was appointed;
- (c) in payment to the Security Agent for application in accordance with Clause 13.2.

The provisions of this Clause 13.1 shall take effect as and by way of variation to the provisions of Section 109(8) of the Law of Property Act 1925 which provisions as so varied and extended shall be deemed incorporated herein as if they related to a receiver of the Charged Property and not merely a receiver of the income thereof.

13.2 All Moneys

All moneys from time to time received or recovered by the Security Agent from the Chargor or from any person or persons liable to pay the same or from any Receiver or otherwise pursuant to this Debenture or standing to the credit of any account of the Chargor with the Security Agent which are the subject of an exercise by the Security Agent of any right of application conferred on the Security Agent by this Debenture shall be applied by the Security Agent in accordance with the Credit Agreement.

14. PROTECTION OF PURCHASERS

The protection given to purchasers from a mortgagee in Sections 104 and 107 of the Law of Property Act 1925 and to persons dealing with an Administrative Receiver in Section 42(3) of the Insolvency Act shall apply equally to purchasers and any other persons dealing with the Security Agent or a Receiver and no purchaser or other person dealing with the Security Agent or any Receiver shall be bound to sell or inquire whether the right of the Security Agent or such Receiver to exercise any of its or his powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent or such Receiver in such dealings.

15. POWER OF ATTORNEY

15.1 The Chargor hereby by way of security for the performance of the Chargor's obligations under this Debenture irrevocably (within the meaning of Section 4 of the Powers of Attorney Act 1971) appoints the Security Agent and any Receiver jointly and also severally to the attorney or attorneys of the Chargor and in its name and otherwise on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required or which the attorney shall consider desirable:

- (a) for carrying out any obligation imposed on the Chargor by or pursuant to this Debenture (including the obligations of the Chargor under Clause 5 and the statutory covenant referred to in that Clause);

- (b) for carrying any sale, lease or other dealing whatsoever by the Security Agent or any Receiver into effect;
- (c) for getting in all or any part of the Charged Property; and
- (d) generally for enabling the Security Agent and any Receiver to exercise the respective powers, authorities and discretions conferred on them by or pursuant to this Debenture or by law,

provided that this power of attorney shall not be exercisable in any case unless an Event of Default is continuing unwaived.

- 15.2 Each of the Security Agent and any Receiver shall have full power to delegate the power conferred on it or him by Clause 15.1 but no such delegation shall preclude the subsequent exercise of such power by the Security Agent or the Receiver itself or himself or preclude the Security Agent or the Receiver from making a subsequent delegation thereof to some other person; any such delegation may be revoked by the Security Agent or the Receiver at any time.
- 15.3 The Chargor shall ratify and confirm all things done by the attorney in the exercise or purported exercise of his powers.

FURTHER RIGHTS OF THE SECURITY AGENT

16. EFFECTIVENESS OF SECURITY

- 16.1 The Security shall be:
- (a) a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations or any other matter or thing whatsoever; and
 - (b) in addition to and independent of and shall not operate so as to prejudice or affect or merge in any other security which the Security Agent may hold at any time for the Secured Obligations or any other obligations whatsoever and shall not be affected by any release, re-assignment or discharge of such other security.
- 16.2 Any release or discharge of the Security or of any of the Secured Obligations shall not release or discharge the Chargor from any liability to the Security Agent for the same or any other moneys which may exist independently of this Debenture.
- 16.3 The obligations of the Chargor under this Debenture and the Collateral will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Debenture (without limitation and whether or not known to it or any Secured Party) including:
- (a) any unenforceability or invalidity of any other agreement or document;
 - (b) any time or indulgence granted to the Chargor or any other person by the Security Agent or any variation of the terms of the trust upon which the Security Agent holds the Security or any other act or thing whatsoever which, but for this

Clause 16.3, would or might prejudice the Security or the right of the Security Agent to any such remedy except for a release, re-assignment or discharge in accordance with the provisions of Clause **Error! Reference source not found.**;

or

- (c) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Fundamental Document or any other document or Security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Fundamental Document or other document or Security.

- 16.4 No failure on the part of the Security Agent to exercise, or any delay on its part in exercising, any of the rights, powers and remedies provided by this Debenture or by law (collectively the "**Security Agent's Rights**") shall operate as a waiver thereof, nor shall any single or partial exercise of any of the Security Agent's Rights preclude any further or other exercise of that one of the Security Agent's Rights concerned or the exercise of any other of the Security Agent's Rights. The rights and remedies provided in this Debenture are cumulative and not exclusive of any rights or remedies provided by law.

17. **AVOIDANCE OF PAYMENTS**

Any settlement, discharge or release between (a) the Chargor and (b) the Security Agent or any Receiver (the "**Relevant Person(s)**") shall be conditional upon no security or payment granted or made to the Relevant Person(s) by the Chargor or any other person being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of such security or payment being so avoided or reduced, the Security Agent shall be entitled to recover on behalf of the Relevant Persons(s) the value or amount of such security or payment from the Chargor and from the Security subsequently as if such settlement, discharge or release had not occurred.

18. **SET-OFF AND COMBINATION OF ACCOUNTS**

Without prejudice to any rights the Security Agent may have at law or in equity or otherwise, the Chargor authorises the Security Agent to apply any credit balance to which the Chargor is entitled on any account with the Security Agent in accordance with Clause 13.2 (and on or at any time after the occurrence of an Event of Default which is continuing unwaived the Security Agent may make such application notwithstanding any specified maturity of any deposits standing to the credit of any account of the Chargor with the Security Agent). The Security Agent shall not be obliged to exercise any right given to it by this Clause 18.

19. **PAYMENTS WITHOUT DEDUCTION**

- 19.1 All sums received by the Security Agent hereunder shall be received in full without any set-off or counterclaim by the Chargor and free and clear of and without any deduction or withholding for or on account of any present or future income or other taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever.

- 19.2 In the event that any deduction or withholding from any payment for the account of the Security Agent or other receipt hereunder shall, in respect of such payment or receipt be required or the Security Agent shall be required to make any payment on account of tax in each case under any present or future law or regulation or practice, then the Chargor shall forthwith pay to the Security Agent such additional amounts as will result in the receipt or retention by the Security Agent of the same amount which would otherwise have been received or retained by it pursuant hereto had no such deduction, withholding or payment been made.

20. SUBSEQUENT CHARGES AND NEW ACCOUNTS

If the Security Agent shall at any time receive or be deemed to have received notice of any Encumbrance (other than Permitted Encumbrances) affecting the whole or any part of the Charged Property or any assignment or transfer thereof which is prohibited by the terms of this Debenture:

- (a) the Security Agent may open a new account or accounts for the Chargor in its books; and
- (b) if the Security Agent does not in fact open any such new account, then unless it gives express written notice to the Chargor to the contrary, it shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice, and as from such time and unless such express written notice shall be given to the Chargor, all payments by or on behalf of the Chargor to the Security Agent shall be credited or treated as having been credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

MISCELLANEOUS

21. PROVISIONS SEVERABLE AND PARTIAL INVALIDITY

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect (or any of the security intended to be created by or pursuant to this Debenture is ineffective) under the law of any jurisdiction, such illegality, invalidity or unenforceability shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions or the effectiveness of any of the remaining Security under such law; or
- (b) the legality, validity or enforceability of such provision or the effectiveness of such Security under the laws of any other jurisdiction.

22. ASSIGNMENT

The Security Agent shall have a full and unfettered right to assign the whole or any part of the benefit of this Debenture to any Successor or proposed successor who becomes the Security Agent under the Credit Agreement. Subject to the terms of the Credit Agreement, the Security Agent shall be entitled to impart any information concerning the Chargor to any Successor or proposed successor or to any person who may

otherwise enter into contractual relations with the Security Agent in relation to this Debenture, provided that any such party to whom information is imparted shall be required to treat the same with due confidentiality in accordance with the Credit Agreement.

23. NOTICES

23.1 Communications in writing

Each communication to be made under or in connection with this Debenture shall be made in accordance with Section 13.1 of the Credit Agreement.

23.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Debenture is:

(a) in the case of the Chargor:

Regency Entertainment (UK) Limited
71 Queen Victoria Street
London EC4V 4BE
United Kingdom

with a copy to:

New Regency Productions, Inc.
10201 W. Pico Blvd.
Building 12
Los Angeles, CA 90035
Facsimile No: 310-969-1207

(b) in the case of the Security Agent:

JPMorgan Chase Bank, N.A.
2029 Century Park East
38th Floor
Los Angeles, California 90067
Attention: Gerardo Loera
E-mail: gerardo.b.loera@jpmorgan.com

with a copy to:

JPMorgan Chase Bank, N.A.,
JPMorgan Loan Services
10 South Dearborn,
7th Floor Chicago,
Illinois 60603
Attention: Loan Services (Regency Entertainment (USA), Inc.

Facsimile No: (888) 292-9533
E-mail: jpm.agency.servicing.4@jpmchase.com

with a copy to:

J.P. Morgan Securities LLC
1999 Avenue of the Stars, 27th Floor
Los Angeles, California 90067
Attention: David Shaheen
Facsimile No: (310) 860-7260
E-mail: david.shaheen@jpmorgan.com

with a copy to:

Sidley Austin LLP
1999 Avenue of the Stars, 17th Floor
Los Angeles, California 90067

Attention: Richard S. Petretti, Esq.
Facsimile No: (310) 595 9518
E-mail: rpetretti@sidley.com

or in each case, any substitute address, fax number, or department or officer as the Party may notify to the other Party by not less than five Business Days' notice.

23.3 English language

- (a) Any notice given under or in connection with this Debenture must be in English.
- (b) All other documents provided under or in connection with this Debenture must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Security Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

24. COSTS AND EXPENSES

- 24.1 All the reasonable costs and Expenses (including any tax liability and any legal costs and, in each case, value added tax or any similar tax charged or chargeable in respect thereof) incurred by the Security Agent :
- (a) in the negotiation, preparation and execution of this Debenture and the completion of the transactions contemplated herein;
 - (b) in the exercise of any of the rights, remedies and powers conferred on the Security Agent by this Debenture or in the perfection or enforcement of any

other security for or guarantee in respect of the Secured Obligations or in connection with any proceedings instituted by or against the Security Agent in relation to the title to the whole or any part of the Charged Property; and

- (c) as a consequence of taking or holding the Security or any claims or proceedings in relation thereto or to any of the Charged Property,

shall be reimbursed by the Chargor (which agree jointly and severally to make such reimbursement) to the Security Agent on demand on a full indemnity basis and shall carry interest from the date of such demand until so reimbursed at the rate and otherwise as mentioned in Clause 2.3.

24.2 The Chargor hereby agrees to pay all stamp, registration and other taxes to which this Debenture or any judgment given in connection herewith is or at any time may be subject and shall indemnify the Security Agent against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such tax.

24.3 The cost of the Chargor complying with any of its obligations under this Debenture (including its obligations under Clause 5) shall be borne by the Chargor.

25. THE SECURITY AGENT'S DISCRETION

Subject to any limitation imposed by applicable law and save where otherwise provided herein, any liberty, discretion or power which may be exercised or any determination which may be made hereunder by the Security Agent or Receiver may, subject to the terms and conditions of the Credit Agreement, be exercised or made in its or his absolute and unfettered discretion without any obligation to give reasons therefor.

26. SECURITY AGENT AS TRUSTEE

The Security Agent is party to this Debenture in its capacity as administrative agent and trustee for and on behalf of itself and the Secured Parties pursuant to the terms and conditions of the Credit Agreement. As between the Security Agent and the Secured Parties the terms and conditions of the Credit Agreement which apply to the Administrative Agent under that agreement also apply to it as Security Agent under this Debenture.

26.1 Declaration of Trust

The Security Agent declares that it shall hold the Security on trust for those entities which are from time to time Secured Parties, to the extent that such Security purports to secure the Secured Obligations.

26.2 Rights

The Security Agent may rely on, exercise and be protected by the discretions, protections, powers and rights conferred on trustees, mortgagees or receivers under the Trustee Acts 1925 and 2000 (the "**Trustee Acts**"), the Trustee Investment Act 1962 and the Insolvency Act 1986.

26.3 Duties

Each of the parties to this Debenture agrees that the Security Agent shall have only those duties, obligations and responsibilities expressly specified in this Debenture or any other Fundamental Document (and no others shall be implied).

26.4 Conflicts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Debenture. Where there are any inconsistencies between the Trustee Acts and the provisions of this Debenture, the provisions of this Debenture shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Debenture shall constitute a restriction or exclusion for the purposes of that Act.

26.5 Resignation and Replacement

Any resignation or replacement of the Security Agent or any appointment of a successor to the Security Agent shall take effect in accordance with the provisions of the Credit Agreement save that no resignation of the Security Agent as trustee hereunder shall take effect unless at least one other trustee has been appointed.

26.6 Winding up of Trust

If the Security Agent determines that (a) all of the Secured Obligations have been fully and finally discharged and (b) none of the Secured Parties is under any commitment, obligation or liability (whether actual or contingent) to make advances or provide other financial accommodation to any Credit Party pursuant to the Fundamental Documents, the trusts set out in this Debenture shall be wound up. At that time the Security Agent shall, at the request of and at the sole cost of the Chargor, release, without recourse or warranty, all of the Security then held by it and the rights of the Security Agent under this Debenture, at which time each of the Security Agent and the Chargor shall be released from their obligations under this Debenture (save for those which arose prior to such winding-up and which have not been discharged).

27. PERPETUITY PERIOD

The perpetuity period under the rule against perpetuities, if applicable hereto, shall be the period of one hundred and twenty five years from the date of the Security Agreement.

28. COUNTERPARTS

This Debenture may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Debenture.

29. GOVERNING LAW

This Debenture and any non-contractual obligations arising out of or in connection with it are governed by English law.

30. JURISDICTION

30.1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of, or connected with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture or the consequences of its nullity or any disputes arising out of or in connection with any non-contractual obligations).

30.2 Convenient Forum

The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

30.3 Exclusive Jurisdiction

This Clause 30 (*Jurisdiction*) is for the benefit of the Security Agent only. As a result, and notwithstanding Clause 30.1 (*English Courts*), it does not prevent the Security Agent from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Security Agent may take concurrent proceedings in any number of jurisdictions.

SCHEDULE 1A

NOTICE OF CHARGE

[Name of Bank]

Date

Dear Sirs

Re: Account No(s) [] (the "Account(s))"

We hereby give you notice that we have charged and/or assigned in favour of certain banks represented by JPMorgan Chase Bank, N.A. as Security Agent all of our rights, title and interest in and to the above account(s) and all monies and interest from time to time standing or accruing to the credit thereof.

Please acknowledge receipt of this notice by signing the enclosed copy and returning the same to JPMorgan Chase Bank, N.A., 1999 Avenue of the Stars, 27th Floor, Los Angeles, California 90067, USA.

Yours faithfully

.....
For and on behalf of
Regency Entertainment (UK) Limited

We acknowledge receipt of the above notice and confirm that we have not received any previous notice of assignment or charge relating to this/these account(s) other than pursuant to existing debentures granted in favour of JPMorgan Chase Bank, N.A. and that no rights of counter claim or set-off or any other equities have arisen in our favour against Regency Entertainment (UK) Limited in respect of any of the funds in the account and we will not make any claim to any of such funds or exercise any right of counter claim, set-off or combination of account(s) or any other equities against Regency Entertainment (UK) Limited in respect of such funds.

.....
for and on behalf of
[*name of bank*]

Dated

SCHEDULE 1B

NOTICE OF CHARGE

[Name of Trustee]

Date

Dear Sirs

Re: Account No(s) [] held with [] (the "Account(s)")

We hereby give you notice that we have charged and/or assigned in favour of certain banks represented by JPMorgan Chase Bank, N.A. as Security Agent all of our rights, title and interest in and to the above account(s) and all monies and interest from time to time standing or accruing to the credit thereof. Kindly notify the bank(s) with whom such account(s) is/are maintained of such charge.

Please acknowledge receipt of this notice by signing the enclosed copy and returning the same to JPMorgan Chase Bank, N.A., 1999 Avenue of the Stars, 27th Floor, Los Angeles, California 90067, USA.

Yours faithfully

.....
For and on behalf of
Regency Entertainment (UK) Limited

We [name of trustee], acting as trustee for such account(s) acknowledge receipt of the above notice and confirm that we have not received any previous notice of assignment or charge relating to this/these account(s) and that no rights of counter claim or set-off or any other equities have arisen in our favour against Regency Entertainment (UK) Limited in respect of any of the funds in the account and we will not make any claim to any of such funds or exercise any right of counter claim, set-off or combination of account(s) or any other equities against Regency Entertainment (UK) Limited in respect of such funds.

.....
for and on behalf of
[*name of trustee*]

Dated

SCHEDULE 2

LIST OF BANK ACCOUNTS

A. Bank	B. Account No.	C. Currency
UBS Switzerland AG	[REDACTED]	USD
UBS Switzerland AG	[REDACTED]	EUR
UBS Switzerland AG	[REDACTED]	GBP
JP Morgan Chase Bank	[REDACTED]	USD
JP Morgan Chase Bank	[REDACTED]	GBP
JP Morgan Chase Bank	[REDACTED]	EUR
Coutts & Co. Ltd	[REDACTED]	GBP

THIS DEBENTURE has been executed as a deed by the Chargor and has been signed by or on behalf of the Security Agent and is intended to be and is hereby delivered as a deed.

The Chargor

**EXECUTED as a DEED by
REGENCY ENTERTAINMENT (UK) LIMITED**

By: _____

Name: GABRIEL HODES

Title: Director

By: _____

Name: _____

Title: Director

THIS DEBENTURE has been executed as a deed by the Chargor and has been signed by or on behalf of the Security Agent and is intended to be and is hereby delivered as a deed.

The Chargor

**EXECUTED as a DEED by
REGENCY ENTERTAINMENT (UK) LIMITED**

By: _____

Name: Yariv Mitzhan

Title: Director

By: _____

Name: Gabriel Hodes

Title: Director

[Signature page of UK Debenture granted by Regency Entertainment (UK) Limited]

The Security Agent

JPMORGAN CHASE BANK, N.A.

By: 

Name: Patrick J. Minnick

Title: Executive Director

[Signature page of UK Debenture granted by Regency Entertainment (UK) Limited]