

# LOAN AGREEMENT

**THIS AGREEMENT** is made the       day of November, A.D. 2013

## **BETWEEN:**

- (1) **ATAVUS GROUP LIMITED** whose registered office is at Bridgewater Legal Advocates, Inspiration Road, #30 Imperial Park, New Providence, The Bahamas ('the Borrower') **AND;**  
(2) **WERNER BRUMMUND** of #37, Ocean Club Estates, Paradise Island, The Bahamas ('the Lender')

## **WHEREAS**

- (A) The Borrower is a company specializing in the movie and entertainment industry more specifically in the operation of IMAX and digital screen technology as well as the management of cinema complexes;  
(B) The Borrower wishes to purchase land on or near to Baha Mar Boulevard situate in the Western District of the said Island of New Providence in order to construct own and operate a cinema complex anchored by One (1) IMAX screen theatre One (1) 4DX screen theatre and Seven (7) to Eight (8) digital screen theatres ("the Project");  
(C) The Lender at the request of the Borrower has agreed to advance to the Company the sum of Four million (US\$4,000,000) dollars in the currency of the United States of America as a loan to initiate the Project subject to the terms and conditions of this Agreement

## **NOW IT IS AGREED** as follows:

### **1 Definitions and interpretation**

In this Agreement:

- 1.1 'Loan' means the loan referred to in clause 2.1 below, or the amount of it for the time being outstanding;  
1.2 references to any individual include his personal representatives and successors by operation of law;  
1.3 references to 'the Lender' include his assigns;  
1.4 terms defined in the Companies Act have the same meanings herein;  
1.5 reference to any statute or statutory provision includes a reference to:  
1.5.1 that statute or statutory provision as from time to time amended extended re-enacted or consolidated, and  
1.5.2 all statutory instruments or orders made pursuant to it;  
1.6 words denoting the singular shall include the plural and vice versa;  
1.7 words denoting any gender include all the genders and words denoting persons shall include firms and corporations and vice versa;  
1.8 references to clauses or Schedules are to clauses of or schedules to this Agreement; and

- 1.9 the clause headings are for convenience only and shall not be taken into account in the interpretation of this Agreement.

## **2 The Loan**

- 2.1 Subject to clause 2.2 below the Lender shall lend to the Borrower the sum of Four million (US\$4,000,000) in the currency of the United States of America ("the Loan");
- 2.2 The Loan is to be applied exclusively for the use of the Borrower in order to (i) allow for the commencement of the Project; (ii) to provide the minimum equity requirements as outlined by the Bank of the Bahamas Ltd. in a Facility letter about to be executed, by the Borrower, and; (iii) to ensure the financial stability of the Borrower;
- 2.3 The Loan amount may be increased to match the sum of any cost overrun encountered by the Borrower during the construction phase of the Project such sum not to exceed Ten (10%) per cent of the total valuation of the Project being Fifteen million (US\$15,000,000) dollars.

## **3 Term**

The Loan shall be for a term of Five (5) years ("the Term") commencing as of the date hereof. The Term may be extended by the mutual written consent of the Lender and the Borrower.

## **4 Repayment & Interest**

The Borrower shall pay interest only at the rate of Fifteen (15%) per cent per annum on the Loan on the first anniversary of the date of the disbursement of the Loan and each calendar year anniversary thereafter for the Term (the "Interest Payment"). Any Interest Payment due that is more than Thirty (30) days overdue and unpaid shall be added on the principal balance of the Loan and any other amounts outstanding from time to time under the Loan at the rate of Fifteen percent (15%) per annum both before and after maturity, default or judgment calculated annually, not in advance. The Loan together with all unpaid and accrued interest shall be due in full upon the expiration of the Term.

## **5 Early repayment**

The Borrower shall be entitled on giving the Lender not less than Thirty (30) days written notice to repay the Loan or a portion thereof (but partial repayments must be in multiples of US\$100,000) and upon the expiration of the notice the Borrower shall be bound to repay the Loan or the part of the Loan specified in the notice. Early repayment of the Loan or a portion thereof shall not be subject to a penalty.

## **6 Change of Control**

The Borrower shall not permit a change in the control of the Borrower without first obtaining the written consent of the Lender which consent may not be unreasonably withheld. Any change in control which shall occur without the prior written consent of the Lender having been obtained shall be a material breach of the terms of the Loan and the Loan shall at the sole option of the Lender become immediately due and payable. For the purposes of this paragraph, change of control shall mean the transfer or issue by sale, assignment, subscription, transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any shares, voting rights or interest which would result in any change in the effective control of the Borrower.

## **7 General**

- 7.1 This Agreement constitutes the entire understanding and agreement between the parties hereto relating to the specific subject matter hereof, except any collateral agreement and understanding between the parties also executed in writing. No variation or modification of this Agreement or waiver of any of the terms or provisions hereof shall be binding unless in writing and signed by or on behalf of all of the parties.
- 7.2 The Parties agree to take all such actions and to execute and deliver all such further agreements, documents and other instruments as may be necessary or desirable in order to carry out the purpose and intent of this Agreement.
- 7.3 This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 7.4 Time shall be of the essence in all respects of this Agreement.
- 7.5 The law governing the interpretation and implementation of this Agreement is that of the Commonwealth of the Bahamas. It is hereby understood and agreed that the Commonwealth of the Bahamas shall be the jurisdiction for the enforcement of any of the rights and obligations hereunder by or on behalf of either of the parties.

## **8 Assignment**

Neither party to this Agreement shall be entitled to assign the benefit of this Agreement without the written consent of the other party.

## **9 Legal costs and expenses**

The Borrower shall reimburse the Lender on demand the reasonable legal costs and out-of-pocket expenses incurred by the Lender in connection with the negotiation and preparation of this Agreement or with any request for any consent under, or with the enforcement of any terms of, this Agreement.

## **10 Notices**

Any notice given pursuant to this Agreement shall be in writing and shall be sufficiently given to any party if sent in a prepaid letter by ordinary post addressed to that party at the party's last known address or place of business and any notice so given shall be deemed unless the

contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course of post.

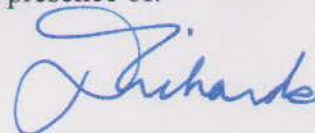
**Arbitration.**

Any dispute arising out of or relating to this agreement must be handled in accordance with the rules and regulations of local bodies of arbitration, said arbitration to be binding on the parties. Additionally, each party hereunder will be waiving the right to seek punitive damages, the right to trial by a jury and other potential remedies that otherwise may be afforded by law.

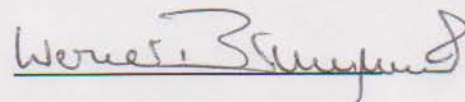
**IN WITNESS WHEREOF**  
the Borrower has caused its  
Common Seal to be hereunto  
affixed on the date  
hereinbefore mentioned

A handwritten signature in blue ink, appearing to be "C. J. Smith", is written over a faint circular embossed seal of Atavus Group Limited.

The Common Seal of **ATAVUS GROUP LIMITED** was hereunto affixed by *Dominic J. Richards* the *Director* of the Company and the said *D. Carlos Ferreira* affixed the Seal in the presence of:- *Chairman of the Board*

A handwritten signature in blue ink, appearing to be "D. Richards", is written below the text.

**IN WITNESS WHEREOF**  
the Lender has hereunto set  
his hand and seal on the date  
hereinbefore mentioned

A handwritten signature in blue ink, appearing to be "Werner Brummund", is written below the text.

Signed Sealed and Delivered by the said **WERNER BRUMMUND** in the presence of:-

A handwritten signature in blue ink, appearing to be a stylized "A", is written below the text.

November 2013

**PROMISSORY NOTE**

**New Providence**

**COMMONWEALTH OF  
THE BAHAMAS**

**US\$4,000,000**

**FOR VALUE RECEIVED, ATAVUS GROUP LIMITED** a company incorporated under the laws of the Commonwealth of the Bahamas and having its Registered Office at Inspiration Road, #30 Imperial Park, New Providence in the said Commonwealth of the Bahamas ("Maker"), hereby promises to pay **WERNER BRUMMUND** of Thirty-Seven (37) Ocean Club Estates, Paradise Island also situate in the said Commonwealth of the Bahamas ("Holder") the principal sum of **FOUR MILLION DOLLARS (US\$4,000,000)** ("the Loan") in the currency of the United States of America together with interest thereon at Fifteen (15%) per cent per annum. The said principal sum of the Loan with any accrued and unpaid interest thereon shall be due and payable on the Maturity Date (as hereinafter defined) for value received.

Interest only on the principal amount of the Loan shall be payable each calendar year in the sum of Six hundred thousand dollars (US\$600,000) ("Interest Payment") payable at the first anniversary of the date of the disbursement of the Loan and each anniversary date thereafter for a period of Five (5) years ("the Maturity Date") or until such time as the principal amount together with the said interest has been extinguished. The Maturity Date may be extended on the mutual agreement of the parties and upon the written request of the Maker to Holder not less than Ninety (90) days from the expiration of the Maturity Date.

At any time from the date of this Note the principal amount may be repaid in whole or in part without penalty, provided that Maker gives to Holder not less than Thirty (30) days prior written notice specifying the date on which prepayment of the principal amount is to be made and provided further that in the event of partial repayment the amount repaid shall be a multiple of One hundred thousand (US\$100,000) dollars.

Any Interest Payment due hereunder that is more than Thirty (30) days overdue and unpaid shall be added to the loan amount with interest compounded thereon until such unpaid Interest Payment has been made ("the Penalty Payment"). Holder acknowledges that this Note is subordinate to a Loan Agreement made between or about to be made between the Maker and Bank of the Bahamas Ltd. ("the Primary Loan"). In the event that (i) the Primary Loan has been satisfied, or; (ii) the said Bank of the Bahamas Ltd. allows for the payment to the Holder of the Loan or a portion thereof and a Penalty Payment remains unpaid for Three hundred and Sixty-five (365) days the whole of the principal amount of the Loan, all accrued interest then unpaid and all sums advanced and costs and expenses incurred by Holder in


connection with this Note shall without notice immediately become due and payable whether or not there has been any waiver of any previous Interest Payment.

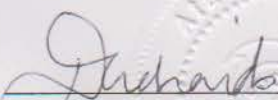
Maker hereby waives presentment, demand for payment, notice of dishonor, protest and notice of protest, and any or all other notices or demands in connection with the delivery, acceptance, performance, default, endorsement or guarantee of this Note. The liability of Maker hereunder shall be unconditional and shall not be in any manner affected by any indulgence whatsoever granted or consented to by Holder hereof, including but not limited to any extension of time, renewal, waiver or other modification. Any failure of Holder to exercise any right hereunder shall not be construed as a waiver of the right of exercise of the same or any other right at any time and from time to time thereafter. Holder may accept late payments, or partial payments without waiving any of its rights. No amendment, modification or waiver of any provision of this Note nor consent to any departure by Maker therefrom shall be effective, irrespective of any course of dealing, unless the same shall be in writing and signed by Holder, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. This Note cannot be changed or terminated orally or by estoppel or waiver or by any alleged oral modification regardless of any claimed partial performance referable thereto.

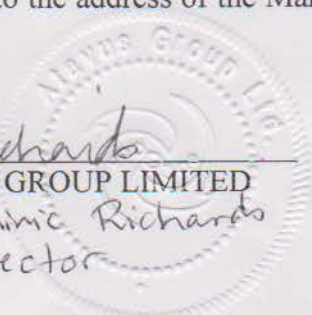
Maker hereby promises to pay to Holder on demand all costs charges and expenses incurred or to be incurred by Holder from time to time in relation to these presents or any default by the Maker in respect of any of the covenants on its part herein contained or the enforcement or protection of any rights of Holder under these presents including but not limited to all cost of collection when incurred, including, reasonable attorney's fees and disbursements and court costs, which costs may be added to the indebtedness evidenced hereby.

Time is of the essence as to all dates set forth in this Note provided, however, that whenever any payment to be made hereunder shall be stated to be due on a day other than a business day, such payment may be made on the next succeeding business day and such extension of time shall in such case be included in the computation of interest payable hereunder.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of The Bahamas. If any provision of this Note is held to be illegal or unenforceable for any reason whatsoever, such illegality or unenforceability shall not affect the validity of any other provision hereof. Any notices to be served on Maker under this Note shall be deemed to be properly served if it is forwarded to the address of the Maker set forth above.

  
ATAVUS GROUP LIMITED  
By: *Carlos Foulkes*  
Its: *Chairman of the Board*

  
ATAVUS GROUP LIMITED  
By: *Dominic Richards*  
Its: *Director*



WINTER BORGHARDT LAW CHAMBERS - "Client Account"

P. O. Box SP-63801  
Caves Village, West Bay Street, Building #4  
Nassau, Bahamas

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DATE 0 6 1 1 2 0 1 3  
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PAY TO THE ORDER OF

Atavus Group Ltd.

\$ 480,000.00

Four Hundred & Eighty Thousand Dollars (only)



RBC  
Royal Bank  
of Canada  
Lyford Cay Shopping Centre  
Nassau, N.P., Bahamas



BAHAMIAN DOLLARS  
WINTER BORGHARDT LAW CHAMBERS - "Client Account"

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