

**EXPORT-IMPORT BANK OF THE UNITED STATES
FILM PRODUCTION GUARANTEE PROGRAM**

MASTER GUARANTEE AGREEMENT

THIS MASTER GUARANTEE AGREEMENT (this “Agreement”) is made and entered into as of the ___ day of ___, 200_ by and between the institution identified as Lender on the signature page hereof (“Lender”) and the Export-Import Bank of the United States (“Ex-Im Bank”). This Agreement consists of the general terms and conditions set forth below (including defined terms identified by initial capitals) and the specific terms and conditions set forth in each Loan Authorization Agreement referred to hereinbelow.

RECITALS

A. Ex-Im Bank has established a Film Production Guarantee Program (the “Program”) to support the production of certain feature-length theatrical motion pictures intended for exploitation worldwide through various motion picture distributors.

B. Lender may from time to time provide non-revolving term loan facilities to bankruptcy-remote entities for the purpose of financing the costs of production and/or acquisition of such motion pictures, and the fees, interest and other charges of Lender in connection therewith.

C. Lender desires to obtain from Ex-Im Bank, and Ex-Im Bank is willing to extend, a limited guarantee with respect to such loan facilities on the terms and subject to the conditions and limitations set forth in this Agreement and in each Loan Authorization Agreement (as such term is hereinafter defined).

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the parties agree as follows:

Article I.

DEFINITIONS

1.01 Definitions of Terms. As used in this Agreement and each Loan Authorization Agreement, the following capitalized terms shall have the following meanings:

“Acceptable Terms” means customary terms and conditions for license and distribution agreements that (i) are substantially similar to those of other license or distribution agreements accepted by Lender for similar production loans made by Lender in the ordinary course of its business, for its own account and risk; (ii) are otherwise in form

and substance acceptable to Lender, and (iii) provide for the payment of license fees, minimum guarantees and/or advance payments thereunder that are conditioned only upon (A) Delivery of the Eligible Film and/or (B) the passage of time.

“Account Debtor” means any Person who enters (or has entered) into an agreement with a Borrower in respect of the exhibition, distribution and/or other exploitation of an Eligible Film and undertakes payment obligations to the Borrower with respect thereto.

“AFM” means the annual motion picture marketplace and trade show sponsored by AFMA® (the trade association for the independent film and television industry) known as the American Film Market.

“Applicable Percentage” means, with respect to an Eligible Receivable, the percentage specified in the Coverage Base Schedule for such Eligible Receivable; provided that, if an Eligible Receivable is designated in the Coverage Base Schedule as being “primary”, “secondary” or “tertiary,” the Applicable Percentage therefor shall mean ninety percent (90%), sixty-five percent (65%) or zero percent (0%), respectively.

“Assignment Agreement” means, with respect to a Loan Facility, a valid and enforceable written assignment executed by Lender in favor of Ex-Im Bank pursuant to which Lender assigns to Ex-Im Bank all of its right, title and interest in and to (i) the Loan Documents; (ii) the Collateral; and (iii) all other instruments, documents, items and property related to the Loan Facility Obligations, in form and substance satisfactory to Ex-Im Bank.

“Benefited Party” shall have the meaning set forth in Section 6.07.

“Borrower” means a single purpose, bankruptcy-remote entity organized to produce an Eligible Film, and shall be the Person specified as such in the Loan Authorization Agreement, and each permitted successor and assign of such Person.

“Business Day” means any day on which the Federal Reserve Bank of New York and Ex-Im Bank are open for business.

“Claim” means a written demand on Ex-Im Bank by Lender for payment under a Guarantee in accordance with the terms of this Agreement.

“Claim Conditions” shall have the meaning set forth in Section 6.01.

“Claim Date” means the first Business Day on which Lender has delivered to Ex-Im Bank a Claim and has satisfied all of the Claim Conditions with respect to the Claim.

“Claim Disposition Notice” shall have the meaning set forth in Section 6.03(a).

“Claim Payment” means a payment made by Ex-Im Bank with respect to a Claim.

“Claim Payment Date” means the date on which Ex-Im Bank makes a Claim Payment.

“Collateral” means, with respect to a Loan Facility, all of Borrower’s right, title and interest in and to the following whether now owned or existing or hereafter created or arising or acquired and wheresoever located: (i) accounts, inventory, equipment, general intangibles, chattel paper, instruments and documents, and all other property, real, personal or mixed, tangible or intangible, including, without limitation, all rights in and to the Eligible Film, the literary material upon which it is in whole or part based, all Receivables, all Distribution Contracts and all allied, ancillary and subsidiary rights thereto and to the Eligible Film; (ii) all other property and interests in property in or upon which Lender has been granted a Lien as security for the payment of any Loan Facility Obligations, including, without limitation, all other assets with respect to the Eligible Film in which Lender takes a security interest for the Loan Facility, as set forth in the definition of “Collateral” in the relevant Loan Agreement; and (iii) all additions, replacements, proceeds and products of any of the foregoing.

“Collateral Agreements” means agreements pursuant to which a Borrower or any other Person grants to Lender a valid and enforceable Lien in the Collateral, including (i) security agreements; (ii) laboratory pledgeholder agreements; (iii) copyright mortgages and assignments; (iv) deposit account lien letters; (v) notices of assignment of insurance policies; and (vi) notices of assignment and distributors’ acceptances and/or interparty agreements with each Person who enters (or has entered) into a distribution or license agreement in respect of an Eligible Film pursuant to which such Persons agree (A) to make payment of their respective Receivables directly to Lender; and (B) with respect to each Eligible Receivable, to make payment of the Eligible Receivable Amount without offsets, deductions, counterclaims or defenses.

“Commitment Amount” means, with respect to a Loan Facility, the maximum aggregate principal amount of Credit Accommodations that may be outstanding at any time under the Loan Facility, as specified in the Loan Authorization Agreement, as such amount may be increased in accordance with Section 2.06(b).

“Completion Guarantor” means, with respect to an Eligible Film, the completion guarantor and its reinsurer, if any, specified in the applicable Loan Authorization Agreement.

“Coverage Base Amount” means, at any time a determination thereof is made, and with respect to a Loan Facility, an amount equal to the sum of the products of (a) each Eligible Receivable Amount and (b) the Applicable Percentage therefor.

“Coverage Base Schedule” means, with respect to a Loan Facility, the schedule captioned “Coverage Base Schedule” annexed as Schedule “A” to the Loan Authorization Agreement for such Loan Facility, as the same may be modified from time to time by the mutual written agreement of Lender and Ex-Im Bank.

“Credit Accommodation” means, individually, a Disbursement or a Letter of Credit Obligation.

“Delivery” means, with respect to an Eligible Film, the receipt (or deemed receipt) by an Account Debtor of specified delivery materials or a notice of availability of specified delivery materials as set forth in, and in accordance with the terms and conditions of, its respective Distribution Contract, as the same may be modified by an interparty agreement or a notice of assignment and distributor’s acceptance.

“Disbursement” means, with respect to each Loan Facility: (i) an advance from Lender to or for the account of the Borrower under the Loan Facility (including any such advance used for the purpose of paying Lender’s accrued and unpaid financing charges in connection therewith); or (ii) an advance to fund a drawing under a Letter of Credit issued or caused to be issued by Lender for the account of the Borrower under the Loan Facility.

“Distribution Contract” means a valid, binding and enforceable license or distribution agreement concerning the exhibition, distribution, licensing or other exploitation of an Eligible Film on Acceptable Terms.

“Dollars” or “\$” means the lawful currency of the United States.

“Effective Date” means, with respect to a Loan Facility, the date on which all of the conditions precedent to the effectiveness of the Guarantee set forth in Section 2.03 have been satisfied or waived in writing by Ex-Im Bank.

“Eligible Film” means a feature-length theatrical motion picture (i) that is intended for exploitation worldwide through various motion picture distributors; (ii) that is not produced by a Major Studio; and (iii) with respect to which (A) less than fifty percent (50%) of the aggregate amount in Dollars of the Production Budget is being furnished or guaranteed, directly or indirectly, by a Major Studio; (B) at least fifty percent (50%) of the aggregate amount in Dollars of Receivables are derived from the licensing and distribution of such feature-length theatrical motion picture in territories outside the United States; (C) at least fifty percent (50%) of the aggregate amount in Dollars of Receivables are due from Persons that are not Major Studios; and (D) Lender has received an original U.S. Content Certificate and an original Production Budget. The term “Eligible Film” shall not include episodic television programs or other non-feature-length motion pictures.

“Eligible Receivable” means a Receivable arising from a Distribution Contract: (i) that is payable in the United States in Dollars; and (ii) in respect of which Receivable and the Eligible Film concerned (and all elements thereof) there have been created in favor of Lender valid, subsisting and continuing first priority perfected Liens as evidenced by Collateral Agreements.

“Eligible Receivable Amount” means, with respect to an Eligible Receivable and at any date as of which a determination is to be made: (i) the outstanding aggregate amount in Dollars of the payments due or to become due under such Eligible Receivable that are not

subject to any condition whatsoever other than Delivery and/or the passage of time, less (ii) all remittance, withholding, excise or other similar taxes, and any allowances, credits, offsets or other amounts required, allowed or permitted to be deducted in respect of such Eligible Receivable.

“ERISA” means the Employee Retirement Income Security Act of 1974 and the rules and regulations promulgated thereunder, as amended from time to time.

“Event of Default” shall have the meaning set forth in Section 5.08.

“Extension” means, with respect to a Loan Facility, an agreement by Lender pursuant to its authority under this Agreement to extend the Maturity Date upon the same terms and conditions as originally stated in the Loan Documents.

“Facility Fee” means, with respect to a Loan Facility, the fee payable by Lender to Ex-Im Bank, as calculated pursuant to Section 3.01.

“GAAP” means generally accepted accounting principles in the United States, as in effect from time to time and consistently applied.

“Guarantee” shall have the meaning set forth in Section 2.01.

“Guaranteed Amount” means, with respect to a Loan Facility, an amount equal to the sum of: (i) the lesser of: (A) ninety percent (90%) of the Commitment Amount, (B) ninety percent (90%) of the aggregate outstanding principal balance of Disbursements as at the Claim Date and (C) the Coverage Base Amount as at the Claim Date; plus (ii) all unpaid interest on the amount specified in clause (i) calculated at the Guaranteed Interest Rate accrued to the Claim Payment Date.

“Guaranteed Interest Rate” means, with respect to a Loan Facility, a per annum rate equal to the fixed or floating interest rate determined in accordance with the interest rate formula set forth in the applicable Loan Documents with respect to a Disbursement; provided, however, the Guaranteed Interest Rate shall not include any increase in such interest rate attributable or based upon the occurrence of any Loan Facility Default or other event of default under the Loan Documents or any other penalty of any nature whatsoever.

“ISP” shall mean the International Standby Practices – ISP98, International Chamber of Commerce Publication No. 590 and any amendments and revisions thereof.

“Lender Obligations” means all of Lender’s obligations under this Agreement, the Loan Authorization Agreements (including any Special Conditions) and any other agreement between Lender and Ex-Im Bank with respect to the Program.

“Lender Profile” means the lender profile form attached hereto as Annex B.

“Letter of Credit” means a letter of credit subject to the UCP or ISP payable in Dollars and issued or caused to be issued by Lender on behalf of a Borrower under a Loan Facility for the benefit of a licensor or supplier of such Borrower in connection with such Borrower’s acquisition of an Eligible Film or rights therein.

“Letter of Credit Obligation” means any outstanding obligation incurred by Lender, whether direct or indirect, contingent or otherwise, due or not due, in connection with the issuance of a Letter of Credit.

“Lien” means any mortgage, security deed or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, security title, easement or encumbrance, or preference, priority or other security or preferential arrangement of any kind or nature whatsoever (including any lease, conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any mortgage of copyright perfecting a security interest under title 17, United States Code, as amended, or comparable law of any jurisdiction, or any financing statement perfecting a security interest under the UCC or comparable law of any jurisdiction) by which property or rights thereto are governed, encumbered or otherwise charged.

“Loan Agreement” means a valid and enforceable written agreement between Lender and a Borrower setting forth the terms and conditions of a Loan Facility, consistent with the applicable Loan Authorization Agreement and this Agreement.

“Loan Authorization Agreement” means a Loan Authorization Agreement in the form of Annex A attached hereto (together with all exhibits and schedules thereto), that has been agreed to and fully executed by Lender and Ex-Im Bank.

“Loan Documents” means, with respect to a Loan Facility, the Loan Authorization Agreement, the Loan Agreement, the Collateral Agreements, each promissory note (if applicable), each Distribution Contract, and all other instruments, agreements and documents now or hereafter executed by the Borrower or any other Person evidencing, securing, perfecting, guaranteeing or otherwise relating to the Loan Facility, any Credit Accommodation made or to be made thereunder, or to the Collateral.

“Loan Facility” means a non-revolving term credit facility established by Lender in favor of a Borrower for the purpose of providing financing in the form of Disbursements and/or Letters of Credit to defray all or a portion of the costs of production and/or acquisition of one (1) Eligible Film.

“Loan Facility Default” means, with respect to a Loan Facility, the occurrence of an event of default under the Loan Documents or the occurrence of any other event which entitles (or which with the lapse of time or the giving of notice or both will entitle) the Lender to accelerate the Maturity Date and declare the Loan Facility Obligations immediately due and payable.

“Loan Facility Obligations” means, with respect to a Loan Facility, all loans, advances, debts, expenses, interest, fees, liabilities, costs, indemnifications and other obligations (including obligations for the performance of covenants, tasks or duties or for payment of monetary amounts [whether or not such performance is then required or contingent, or amounts are liquidated or determinable]) owing by the relevant Borrower to Lender, of any kind or nature, arising in connection with the Loan Facility.

“Major Studio” means a so-called “major” (as such term is commonly understood in the Los Angeles, California motion picture and television industry) producer or distributor of motion pictures and/or television programs or any other Person who directly or indirectly controls, is controlled by, or is under common control with such “major” producer or distributor. For purposes hereof, “control” means the possession, directly or indirectly, of the power to direct or to cause the direction of management and policies, whether through the ownership of voting securities, by contract, or otherwise.

“Material Adverse Effect” means, with respect to a Loan Facility, a material adverse effect on (i) the business, assets, operations, prospects or financial or other condition of Borrower; (ii) the Borrower’s ability to pay or perform any of the Loan Facility Obligations in accordance with the terms thereof; (iii) the Collateral, Lender’s Lien on the Collateral or the priority thereof; or (iv) Lender’s rights and remedies under any of the Loan Documents.

“Maturity Date” means, with respect to a Loan Facility, the date on which the Loan Facility Obligations are due and payable as originally set forth in the Loan Authorization Agreement (without reference to any right set forth in the Loan Documents to accelerate such date), as the same may be extended pursuant to and in accordance with the terms and conditions of this Agreement.

“Minimum Lender Retention” means at any time a determination thereof is made: (i) if the amount of the aggregate outstanding principal balance of Disbursements is less than or equal to the Coverage Base Amount, an amount equal to ten percent (10%) of the amount of the aggregate outstanding principal balance of Disbursements; or (ii) if the amount of the aggregate outstanding principal balance of Disbursements is greater than the Coverage Base Amount, an amount equal to fifty percent (50%) of the difference between the amount of the aggregate outstanding principal balance of Disbursements and the Coverage Base Amount.

“Permitted Encumbrances” means, with respect to any Collateral, (i) Liens in favor of Lender to secure Loan Facility Obligations; (ii) Liens pursuant to written security agreements (in form and substance acceptable to Lender) in favor of guilds required pursuant to terms of collective bargaining agreements; provided that such Liens are subordinated to the Liens of Lender under the Loan Documents on terms satisfactory in all respects to Lender; (iii) Liens for taxes, assessments or other governmental charges or levies due and payable, the validity or amount of which is currently being contested in good faith by appropriate proceedings; provided that the Borrower shall have set aside on its books reserves (the presentation of which is segregated to the extent required by

GAAP) adequate with respect thereto if reserves shall be deemed necessary; and provided, further, that the Borrower will pay all such taxes, assessments, levies or other governmental charges forthwith upon the commencement of proceedings to foreclose any Lien which may have attached as security therefore (unless the same is fully bonded); (iv) possessory liens (including Liens in favor of film and/or sound laboratories and suppliers of equipment and materials) which (A) occur in the ordinary course of business, (B) secure only normal trade debt which is not yet due and payable or is being contested in good faith by appropriate proceedings, and (C) do not exceed Fifty Thousand Dollars (U.S.\$50,000) in the aggregate at any one time outstanding; (v) Liens to secure distribution, exhibition and/or other exploitation rights of an Account Debtor pursuant to its Distribution Contract; provided, that such Liens are subordinated to the Liens of Lender under the Loan Documents on terms satisfactory in all respects to Lender; (vi) Liens or rights granted to the Completion Guarantor; provided that such Liens or grant of rights are subordinated to the Liens of Lender under the Loan Documents on terms satisfactory in all respects to Lender; (vii) Liens arising out of attachments, judgments or awards as to which an appeal or other appropriate proceedings for contest or review are promptly commenced and as to which foreclosure or other enforcement proceedings (A) shall not have been commenced (unless fully bonded or otherwise effectively stayed), and (B) in any event, shall be promptly fully bonded or otherwise effectively stayed; and (viii) Liens expressly permitted pursuant to the Loan Authorization Agreement.

“Person” means any natural person, sole proprietorship, partnership, limited liability partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, entity or government (whether national, federal, provincial, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof), and shall include such Person’s successors and assigns.

“Production Budget” means, with respect to an Eligible Film, a written budget, certified by the Borrower as being true and correct, approved by the Completion Guarantor (if there is one), and containing only items usually and customarily included in budgets for motion pictures of similar cost and quality, and prepared in such detail and otherwise in conformity with customary standards and practices in the Los Angeles, California motion picture and television industry, showing the estimated cost of all items necessary for the production and completion of the Eligible Film, including the costs of literary rights acquisition, the services of the screenplay writers, cast members, directors and producers, all delivery items, customary insurance, fixed deferments, a customary contingency allowance, the fee of the Completion Guarantor and the fees, interest and other financing charges of Lender; provided, however, the Production Budget shall not include any contingent deferments.

“Receivables” means, with respect to a Borrower, whether now owned or hereafter acquired, whether due or to become due, and whether or not earned by performance: (i) all of such Borrower’s “accounts” (as such term is defined in the UCC), other receivables, contract rights, chattel paper, instruments, general intangibles, book debts and other forms of obligations, whether arising out of goods sold or services rendered or

from any other transaction; (ii) all of such Borrower's rights in, to and under all license or distribution contracts or receipts for goods or services; (iii) all of such Borrower's rights to any goods represented or purported to be represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods); (iv) moneys due or to become due to such Borrower under all license and distribution contracts and contracts for the sale of goods or the performance of services or both, including the proceeds of the foregoing; (v) any notes, drafts, letters of credit, insurance proceeds or other instruments, documents and writings evidencing or supporting the foregoing; and (vi) all collateral security and guarantees of any kind given by any other Person with respect to any of the foregoing.

"Recovery Costs" means, with respect to a Loan Facility, the reasonable out-of-pocket costs and expenses, including reasonable outside attorneys' fees, incurred by Lender or Ex-Im Bank after the Claim Date (i) in connection with the protection of the Collateral, such as the costs of storage and insurance; (ii) in collecting any of the Loan Facility Obligations or in prosecuting any suit, litigation, arbitration or other proceeding against a Borrower or any other Person with respect to the enforcement of all or a part of the Loan Facility Obligations; and/or (iii) in connection with the sale or collection of the Collateral, such as the fees and expenses of auctioneers, sales agents and collection agents.

"Recovery Proceeds" means, with respect to a Loan Facility, the proceeds received on and after the Claim Date from the foreclosure upon, liquidation of, or exercise of any other rights or remedies, with respect to the Collateral or any other assets of Borrower or any other source of payment.

"Special Conditions" means, with respect to a Loan Facility, those terms and conditions, if any, set forth in Schedule "D" to the Loan Authorization Agreement.

"UCC" means the Uniform Commercial Code, as the same may be in effect from time to time in each applicable jurisdiction.

"UCP" means the Uniform Customs and Practices for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500 and any amendments thereof and revisions thereto.

"U.S." or "United States" means the United States of America, its territories and possessions.

"U.S. Content" means, with respect to an Eligible Film and its Production Budget: (i) all budgeted expenditures for the purchase or rental of products, materials, supplies and other goods which are of U.S. origin and manufacture; (ii) all budgeted expenditures for personal services (such as services of writers, directors, cast, producers, special effects personnel, administrative personnel, animators, cameramen, consultants, attorneys or accountants): (A) to the extent such services are to be performed by an individual who is

a U.S. citizen or lawful permanent resident, or (B) in the case of lead actor, director, writer, music composer or director of photography services performed by an individual who is not a U.S. citizen or lawful permanent resident, to the extent such expenditures when paid to such individual are subject to U.S. federal income taxation; and (iii) all budgeted expenditures for services other than personal services (such as insurance, completion guarantee, transportation and payroll services) payable to a Person (excluding natural persons) legally organized and domiciled in the U.S.

“U.S. Content Certificate” means a certificate in the form of Schedule “B” to the Loan Authorization Agreement duly certified by Borrower that at least fifty percent (50%) of the aggregate amount in Dollars of the Production Budget (exclusive of the fees, interest and other financing charges of Lender) will be comprised of U.S. Content.

1.02 Rules of Construction. For purposes of this Agreement, the following additional rules of construction shall apply, unless specifically indicated to the contrary: (a) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, (b) pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter; (c) the term “or” is not exclusive; (d) the term “including” (or any form thereof) shall not be limiting or exclusive; (e) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations; (f) the words “this Agreement”, “herein”, “hereof”, “hereunder” or other words of similar import refer to this Agreement as a whole including the schedules, exhibits and annexes hereto, as the same may be amended, modified or supplemented in accordance with the terms hereof; (g) all references in this Agreement to sections, schedules, exhibits and annexes shall refer to the corresponding sections, schedules, exhibits and annexes of or to this Agreement; and (h) all references to any instruments or agreements, including references to a Loan Authorization Agreement or any of the other Loan Documents, shall include any and all modifications, amendments and supplements thereto and any and all extensions or renewals thereof to the extent permitted under this Agreement.

Article II.

THE GUARANTEE

2.01 The Guarantee. With respect to each Loan Facility, upon and subject to the terms and conditions of this Agreement and the applicable Loan Authorization Agreement, and provided that Lender shall have fully performed all material Lender Obligations, if Borrower fails to pay, on the Maturity Date, any outstanding amount of principal or accrued and unpaid interest payable with respect to any Loan Facility Obligation, and such failure continues for more than thirty (30) consecutive days, then Ex-Im Bank guarantees to Lender (the “Guarantee”) the payment of such unpaid sums in an amount up to, but not to exceed, the Guaranteed Amount.

2.02 Conditions Precedent to the Effectiveness of this Agreement. As conditions precedent to the effectiveness of this Agreement, Ex-Im Bank shall have received, in

form and substance satisfactory to it, evidence of the authority (including a specimen signature) of each Person who, on behalf of Lender, signed this Agreement and the Lender Profile, will sign any Loan Authorization Agreement or other documents required by this Agreement, and will otherwise act as Lender's representative in the performance of this Agreement.

2.03 Conditions Precedent to the Effectiveness of the Guarantee. The Guarantee shall not become effective with respect to a Loan Facility unless prior to the making of the initial Credit Accommodation thereunder, Lender shall have delivered to Ex-Im Bank, in form and substance satisfactory to Ex-Im Bank, evidence of Lender's satisfaction of each of the following conditions:

(a) Each of Lender and Ex-Im Bank shall have executed this Agreement and a Loan Authorization Agreement with respect to such Loan Facility, and all of the other Loan Documents have been fully executed and delivered by all parties thereto;

(b) Lender shall have received written confirmation that Borrower has obtained customary policies of producer's errors and omissions liability insurance, comprehensive liability insurance and production portfolio insurance, and any other insurance required by Lender, the Completion Guarantor or applicable collective bargaining agreements, with respect to the Eligible Film, having customary limits of coverage and deductibles. Each of such insurance policies shall (i) name Ex-Im Bank (and its agents, officers, directors, employees and attorneys) as an additional insured thereunder, (ii) provide that, pursuant to its terms, such coverage is primary and not contributory or excess coverage, notwithstanding any other policy or policies of insurance which Borrower, Lender or Ex-Im Bank may obtain or maintain, and (iii) provide for the issuance to Ex-Im Bank of written notice of any cancellation of or material change in any such insurance coverage which written notice shall be given to Ex-Im Bank not less than thirty (30) days in advance of such cancellation of or material change in such insurance coverage;

(c) Lender shall have paid the applicable Facility Fee to Ex-Im Bank in accordance with Section 3.02 hereof; and

(d) All of the conditions precedent to the making of the initial Credit Accommodation set forth in the Loan Agreement and the other Loan Documents shall have been satisfied or, with the prior written consent of Ex-Im Bank, waived by Lender.

2.04 Continued Effectiveness upon Rescission of Payment. If any payment of a Loan Facility Obligation that has been received by Lender prior to the filing of a Claim with respect to the applicable Loan Facility is subsequently lawfully rescinded or must otherwise be returned by Lender, the Guaranteed Amount shall be recalculated, if necessary, to reflect such returned payment; provided, that such rescission or return of

payment has been compelled by law as the result of the bankruptcy or insolvency of the applicable Borrower, or as a result of any law, regulation or decree applicable to such Borrower or Lender now or hereinafter in effect.

2.05 Coverage Base Amount.

(a) If Delivery of an Eligible Film is not effected to an Account Debtor, the applicable Coverage Base Amount shall be automatically reduced by an amount equal to the product of (i) the relevant Eligible Receivable Amount and (ii) the Applicable Percentage therefor.

(b) Within thirty (30) days following the execution of a Distribution Contract that has not theretofore been included in the Coverage Base Schedule, Lender may request in writing that the Coverage Base Schedule be modified by including therein an amount equal to the product of (i) the relevant Eligible Receivable Amount and (ii) the Applicable Percentage therefor. No such modification of the Coverage Base Schedule shall be effective unless and until it has been approved in writing by Ex-Im Bank, which approval may be withheld by Ex-Im Bank in the exercise of its sole discretion.

(c) With respect to each Guarantee, Lender shall send to Ex-Im Bank not less than once every ninety (90) calendar days commencing on the Effective Date, a written report on the status of the Coverage Base Amount, which shall include each Eligible Receivable Amount and the Applicable Percentage therefor.

2.06 Modifications of the Maturity Date and Commitment Amount.

(a) At any time prior to a Maturity Date, Lender may grant one or more Extensions, provided that such Extensions shall not in the aggregate exceed two hundred forty (240) days beyond the Maturity Date as originally stated in the Loan Authorization Agreement and shall be subject to payment of the additional Facility Fee required in connection therewith pursuant to Section 3.01(b); and provided, further, that Extensions exceeding in the aggregate one hundred twenty (120) days beyond the Maturity Date as originally stated in the Loan Authorization Agreement shall only be granted for delivery date extensions requested by or on behalf of the Completion Guarantor and that for any and all Extensions due, in whole or in part, to a requested delivery date extension by or on behalf of the Completion Guarantor, Lender shall require that the Completion Guarantor reimburse Lender for any and all interest accruing on the Loan Facility Obligations by reason of such Extensions. Except as set forth in the preceding sentence, Lender shall not, and shall not have the right to, extend a Maturity Date without the prior written consent of Ex-Im Bank.

(b) At any time prior to the Maturity Date, Lender may increase the Commitment Amount, whether or not upon the same terms and conditions as previously stated in the Loan Documents, subject to (i) Ex-Im Bank's prior

written consent, and (ii) payment of the additional Facility Fee required in connection therewith pursuant to Section 3.01(c).

Article III.

FACILITY FEE

3.01 Calculation and Payment of Facility Fee.

(a) For each Guarantee, Lender shall pay to Ex-Im Bank, on or before the Effective Date, a Facility Fee in an amount equal to the product of (i) one-half of one percent (0.5%) and (ii) the Commitment Amount.

(b) For each Extension, Lender shall pay to Ex-Im Bank, within ten (10) Business Days following the effective date of such Extension, an additional Facility Fee in an amount equal to the product of (i) one-half of one percent (0.5%), (ii) the Commitment Amount, and (iii) a fraction, the numerator of which is the number of days of such Extension, and the denominator of which is three hundred sixty (360).

(c) For each increase in the Commitment Amount, Lender shall pay to Ex-Im Bank, within ten (10) Business Days following the effective date of such increase, an additional Facility Fee in an amount equal to the product of (i) one-half of one percent (0.5%) and (ii) the amount of such increase.

(d) Each Facility Fee shall be deemed fully earned and nonrefundable upon the receipt thereof by Ex-Im Bank, notwithstanding any later decrease in the Commitment Amount, any later acceleration of the Maturity Date or any other circumstance.

(e) Failure to pay any Facility Fee (or any portion thereof) to Ex-Im Bank when due shall automatically and without any further action by any Person render the Guarantee null and void and of no force or effect whatsoever.

3.02 Method of Payment of Facility Fee. Payment of each Facility Fee shall be made to Ex-Im Bank by Lender in Dollars:

(a) by wire transfer of immediately available funds to the Federal Reserve Bank of New York in New York City for credit to Ex-Im Bank's account at the U.S. Treasury Department as identified below:

U.S. Treasury Department
021030004
TREAS NYC/CTR/
BNF=/AC-4984 OBI=
EXPORT-IMPORT BANK
REFERENCE: [Lender Name] [Borrower Name]
ON EIB GUAR. NO. _____
FROM _____,

and shall be deemed paid as of the date of receipt of such funds in such account;
or

(b) by cashier's check, hand delivered or sent via U.S. express mail or via overnight commercial courier, return receipt requested, payable to the order of the Export-Import Bank of the United States, and shall be deemed paid (subject to collection) as of the date of receipt of such check by Ex-Im Bank's Office of the Treasurer Controller at 811 Vermont Avenue, N.W., Washington, D.C. 20571, U.S.A.

Article IV.

LENDER REPRESENTATIONS AND WARRANTIES

4.01 Lender Representations and Warranties. In order to induce Ex-Im Bank to enter into this Agreement and, from time to time, enter into Loan Authorization Agreements, Lender on a continuing basis agrees, represents and warrants to Ex-Im Bank as follows, which agreements, representations and warranties shall survive the execution and delivery of this Agreement and the execution and delivery of any Loan Authorization Agreement and shall be deemed repeated with respect to a Loan Facility as of the date of each Loan Authorization Agreement and each Credit Accommodation:

- (a) All information, statements and other data contained in the Lender Profile attached hereto as Annex B and incorporated herein by this reference are, in all material respects, accurate, complete and correct;
- (b) This Agreement has been duly and validly executed and delivered by Lender and constitutes the legal, valid and binding obligation of Lender, enforceable against Lender in accordance with the terms hereof;
- (c) Each Loan Facility shall be a non-revolving term credit facility prohibiting the reborrowing of repaid Credit Accommodations;
- (d) To the best of Lender's knowledge after due inquiry, each Borrower is a single purpose, bankruptcy-remote entity formed and maintained for the sole purpose of producing and exploiting the relevant Eligible Film; and

(e) To the best of Lender's knowledge after due inquiry, the Credit Accommodations provided under each Loan Facility will be used solely to finance the production or acquisition of one (1) Eligible Film.

Article V.

OBLIGATIONS OF LENDER

So long as this Agreement is in effect or Ex-Im Bank remains liable under any Guarantee, Lender agrees as follows:

5.01 Loan Documents.

(a) For each Guarantee, Lender and Ex-Im Bank shall enter into a Loan Authorization Agreement in form and substance satisfactory to Ex-Im Bank.

(b) Each Loan Facility shall be established pursuant to a Loan Agreement and other Loan Documents customarily required by Lender for similar production loans made by Lender in the ordinary course of its business and for its own account and risk, including instruments, agreements and other documents reasonably requested by Ex-Im Bank.

(c) Each of the Loan Documents and all of Lender's rights thereunder shall be fully assignable to Ex-Im Bank, and shall be governed by the laws of a state, territory or commonwealth within the United States.

(d) Lender shall provide the Borrower with a copy of the applicable Loan Authorization Agreement (excluding Schedule "C").

(e) Each of the Loan Documents will comply with the terms and conditions, and the requirements therefor, set forth in this Agreement and in the Loan Authorization Agreement.

(f) Lender shall not authorize Borrower to dispose of any of its assets (including entering into any sale and leaseback arrangement covering any of its fixed or capital assets) unless (i) such disposal is for full, fair and reasonable consideration; and (ii) the proceeds of such disposal are used either to repay Loan Facility Obligations or to fund costs of production of the Eligible Film that are included in the Production Budget therefor.

5.02 Security Interests.

(a) On or prior to each Effective Date, Lender shall: (i) obtain from the applicable Borrower and all other relevant Persons valid and enforceable Collateral Agreements; and (ii) take such actions as are required to perfect Lender's Lien in the Collateral under the laws of the United States and other

appropriate jurisdictions, including the filing of one or more mortgages and assignments of copyright covering the Collateral with the United States Copyright Office, and UCC financing statements in the appropriate jurisdictions, identifying the applicable Borrower or other Person and describing the Collateral. Without limiting the generality of the preceding sentence, on or prior to each Effective Date, Lender shall obtain valid, binding and enforceable notices of assignment and distributors' acceptances and/or interparty agreements with each Person who enters (or has entered) into a distribution or license agreement in respect of an Eligible Film pursuant to which such Persons shall agree (A) to make payment of their respective Receivables directly to Lender; and (B) with respect to each Eligible Receivable, to make payment of the Eligible Receivable Amount without offsets, deductions, counterclaims or defenses.

(b) Lender shall take such steps as are necessary to maintain a valid, enforceable and first priority perfected Lien on the Collateral subject only to the Permitted Encumbrances, including the timely filing of continuation statements with respect to such UCC financing statements and the filing of additional mortgages and assignments of copyright and UCC financing statements if Lender has actual knowledge that a Borrower or other Person has moved the Collateral or otherwise has taken any action that would require Lender to take additional action to maintain its first priority perfected Lien in the Collateral subject only to Permitted Encumbrances. Notwithstanding the foregoing, if pursuant to a Loan Authorization Agreement, any Lien on any Collateral is not intended to be a first priority Lien, all references herein to a first priority Lien with respect to such Collateral shall be to a Lien in the priority set forth in the applicable Loan Authorization Agreement.

(c) In the event that a creditor of a Borrower other than Lender has a Lien on any of the Collateral which would take priority over the Lien of Lender on any of the Collateral, Lender shall enter into a valid and enforceable intercreditor agreement with such creditor so that the Lien of Lender on such Collateral shall have the priority customarily afforded to institutional film production lenders with respect to such Collateral.

5.03 Management. Lender will manage, perform and enforce the terms of the Loan Documents and exercise and enforce all privileges and rights exercisable or enforceable by Lender thereunder in a commercially reasonable manner, for the joint benefit of Lender and Ex-Im Bank, according to Lender's discretion and the exercise of its business judgment and otherwise in accordance with the terms hereof and of the applicable Loan Authorization Agreement. Lender shall exercise the same care, diligence and inquiries in the underwriting, servicing, managing and collection of the Credit Accommodations and the realization upon the Collateral, and in the carrying out of the terms and conditions of the Loan Documents and this Agreement as Lender exercises with respect to similar loans and obligations held by Lender for its own account and risk. Prior to the filing of a Claim, Lender shall apply the proceeds of the Collateral or any other amount received by Lender to reduce the outstanding principal balance of Disbursements and all unpaid

interest thereon. Subject to the terms of Article VI of this Agreement, upon the occurrence of a Loan Facility Default, Lender may take any action it is entitled to take under the Loan Documents, at law or in equity for the protection of or realization upon the Collateral or for the repayment of the Loan Facility Obligations or the enforcement of the Loan Documents.

5.04 Special Conditions. Lender may make Credit Accommodations under a Loan Facility to a Borrower on the Effective Date only if all of the conditions set forth in this Agreement and the Loan Documents, and all of the Special Conditions that were to be satisfied on or prior to the Effective Date have been satisfied on or prior to the Effective Date, and Lender may make Credit Accommodations to a Borrower after the Effective Date only if all of such conditions and all of the Special Conditions that were to be satisfied on and after the Effective Date continue to be satisfied as of the date of each such Credit Accommodation.

5.05 Credit Accommodations.

(a) Lender shall exercise the same care and diligence in the making of the Credit Accommodations under each Loan Facility, and in requiring security for repayment of the Loan Facility Obligations, as Lender exercises with respect to similar loans and obligations held by Lender for its own account and risk; and the form and substance of the Loan Documents with respect to each Loan Facility shall be substantially the same as Lender requires with respect to similar loans and obligations held by Lender for its own account and risk; and

(b) Lender shall not at any time provide a Credit Accommodation to a Borrower if Lender has actual knowledge that any Credit Accommodation has been or will be used in a manner prohibited by the applicable Loan Documents. In the event Lender makes any Credit Accommodation available to a Borrower following the occurrence of such event, the Guarantee set forth in this Agreement shall be null and void with respect to such Credit Accommodation.

5.06 Loan Records. Lender shall maintain accurate records of (a) each Credit Accommodation, (b) each payment of principal and interest made by a Borrower or any other Person for credit to such Borrower's Loan Facility Obligations, (c) all accrued interest with respect to the Loan Facility, (d) the Collateral, (e) the Coverage Base Schedule, (f) the Coverage Base Amount, and (g) each payment of a Receivable in respect of an Eligible Film. Lender shall permit the representatives of Ex-Im Bank upon prior notice to Lender during normal business hours to inspect and copy its records with respect to matters relating to each Loan Facility, this Agreement, the Loan Documents and the Eligible Films, and shall direct its officers and employees to give their full cooperation and assistance in connection therewith. Lender shall, from time to time, at the request of Ex-Im Bank, furnish to Ex-Im Bank such information as Lender may have or be able to obtain with respect to any Loan Facility, this Agreement, any Loan Documents, any Eligible Film and/or the financial condition of Borrower, any Account Debtor or any other obligor with respect to a Loan Facility.

5.07 Inspections and Reviews. Lender shall conduct periodic inspections and reviews, in accordance with its usual and customary practices, but in no event less frequently than quarter-annually, for the purpose of determining the value of the Collateral against which Credit Accommodations may be provided, and whether the Borrower is in material compliance with the terms of the Loan Documents.

5.08 Events of Default.

- (a) The occurrence of any of the following events shall constitute an “Event of Default” hereunder with respect to the applicable Loan Facility:
- (i) the Borrower fails to pay within thirty (30) calendar days of the date when due any Loan Facility Obligation;
 - (ii) any Loan Facility Default which has had or could reasonably be expected to have a Material Adverse Effect;
 - (iii) the Borrower, any guarantor of, or other obligor under, any of the Loan Facility Obligations (A) applies for, consents to or suffers the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property or calls a meeting of its creditors, (B) admits in writing its inability, or is generally unable, to pay its debts as they become due or ceases operations of its present business, (C) makes a general assignment for the benefit of creditors, (D) commences a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (E) is adjudicated as bankrupt or insolvent, (F) files a petition seeking to take advantage of any other law providing for the relief of debtors, (G) acquiesces to, or fails to have dismissed within thirty (30) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (H) takes any action for the purpose of effecting any of the foregoing;
 - (iv) any Lien on any of the Collateral, granted or intended by the Loan Documents to be granted to Lender, ceases to be a valid, enforceable, first priority perfected Lien (or a lesser priority if expressly permitted pursuant to the Loan Authorization Agreement) subject only to Permitted Encumbrances;
 - (v) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms or is repudiated by any party thereto;

- (vi) the issuance of any levy, assessment, attachment, seizure or Lien, other than a Permitted Encumbrance, against any of the Collateral which is not stayed or lifted within thirty (30) calendar days;
 - (vii) any proceeding is commenced by or against the Borrower, any guarantor of, or other obligor under any of the Loan Facility Obligations for the liquidation of its assets or dissolution; or
 - (viii) any litigation is filed against the Borrower, any guarantor of, or other obligor under any of the Loan Facility Obligations which has had or could reasonably be expected to have a Material Adverse Effect and such litigation is not withdrawn or dismissed within thirty (30) calendar days of the filing thereof.
- (b) Subsequent to Delivery of an Eligible Film to any Account Debtor, if directed to do so by Ex-Im Bank in writing following the occurrence of an Event of Default, Lender shall, subject to the terms of the Loan Documents, accelerate the maturity of the Loan Facility Obligations against the applicable Borrower and any guarantors thereof and other obligors thereunder, and exercise Lender's rights and remedies under the Loan Documents in connection therewith.

5.09 Notice of Certain Events.

- (a) Lender shall notify Ex-Im Bank in writing within five (5) Business Days of its obtaining knowledge of the occurrence of any Event of Default or the occurrence of any of following events:
- (i) an Account Debtor defaults on a payment obligation owed or assigned to Lender or any borrower of Lender with respect to a loan facility not guaranteed by Ex-Im Bank, and such default continues uncured for sixty (60) calendar days; provided that, the failure to provide such notification to Ex-Im Bank shall not constitute a breach or default by Lender under this Agreement;
 - (ii) an Account Debtor is suspended from attending the AFM;
 - (iii) Lender grants an Extension with respect to a Loan Facility;
 - (iv) any information, statements, policy or other data contained in the Lender Profile shall change or become inaccurate, incomplete or incorrect in any material respect;
 - (v) any event described in Section 5.05(b) of this Agreement; or
 - (vi) any event that has had or could reasonably be expected to have a Material Adverse Effect.

(b) In the event that Lender is required to send to Ex-Im Bank a notice required above, Lender shall also send to Ex-Im Bank not less than once every thirty (30) calendar days thereafter a written report on the status of the event(s) covered by such notice (provided that if there is no material change in status no new report shall be required). Lender shall continue to provide Ex-Im Bank with such periodic status reports until Lender files a Claim pursuant to this Agreement, the applicable event(s) have been cured to the satisfaction of Ex-Im Bank or the applicable event(s) have been waived by Lender with the written consent of Ex-Im Bank; provided that with respect to any default occurring under the Loan Documents which is not otherwise an Event of Default, Lender may waive such default without Ex-Im Bank's consent provided that Lender sends written notice of such waiver within ten (10) Business Days to Ex-Im Bank.

5.10 Letters of Credit. Subject to the terms and conditions set forth in this Agreement, Lender may issue or cause the issuance of Letters of Credit; provided that Lender reserves from the applicable Commitment Amount an amount equal to the outstanding face amount of such Letters of Credit. Letters of Credit may be issued by Lender at any time before the Maturity Date; provided that expiration date of any Letter of Credit shall not be later than the Maturity Date.

5.11 Assignability. Provided that Lender retains for its own account and at all times all liability for a portion of the Loan Facility Obligations in an amount equal to the Minimum Lender Retention, Lender may participate its interests, obligations or rights in a Loan Facility and the applicable Loan Documents to any other financial institution provided that Lender continues to act as the administrative and collateral agent for the Loan Facility and Lender retains all obligations with respect to Ex-Im Bank under the Guarantee, this Agreement and the Loan Authorization Agreement. Except as set forth in the preceding sentence, Lender shall not, and shall not have the right to, assign, transfer, negotiate or sell any of its interests, obligations or rights in a Loan Facility, the applicable Loan Documents, a Guarantee or this Agreement without the prior written consent of Ex-Im Bank, and any purported assignment, transfer, negotiation or sale in violation of this Section 5.11 shall be null and void and of no force or effect whatsoever.

5.12 No Third Party Beneficiary. Neither this Agreement nor any Loan Authorization Agreement is for the benefit of any third Person, including any third Person claiming or deriving rights from the Guarantee, and this Agreement shall not be deemed to give any right or remedy to any such Person, whether referred to herein or not. Without limiting the generality of the preceding sentence, no Person, including any Completion Guarantor, succeeding to Lender's rights under any of the Loan Documents, either consensually or by way of subrogation, operation of law or otherwise, shall acquire or be entitled to any benefit, right, title or interest in, to or under any Guarantee, this Agreement or any Loan Authorization Agreement, nor shall any such Person, including any Completion Guarantor, be deemed to be given any right or remedy.

5.13 Amendments, Legal Action

(a) With respect to each Borrower, Lender shall not without the prior written consent of Ex-Im Bank (i) amend any Loan Document in a manner that would have a Material Adverse Effect, (ii) subject to Section 7.01, release any Collateral, (iii) release any guarantor of, or other obligor under, the Loan Facility Obligations, (iv) reschedule or restructure a Loan Facility, or (v) undertake any legal action with respect to any of the Loan Documents, including accelerating the Loan Facility Obligations (except for the automatic acceleration of the Loan Facility Obligations arising as a result of the filing of a proceeding in bankruptcy by or against the applicable Borrower) or exercising any of its remedies under the Loan Documents or applicable law; provided, however, that in situations following a Loan Facility Default when Lender determines, in good faith, that time is of the essence and it is not practical to obtain Ex-Im Bank's prior written consent, Lender may take such actions required in its reasonable judgment to protect the physical security or market value of the Collateral and any materials or records relating thereto or to preserve the collection prospects of the Loan Facility or Collateral, provided, that Lender notifies Ex-Im Bank within five (5) Business Days of Lender's taking such action. Additionally, if Ex-Im Bank has not responded to Lender's written request to accelerate any Loan Facility Obligations within five (5) Business Days of Ex-Im Bank's receipt of such request, Ex-Im Bank shall be deemed to have given its consent.

(b) Lender shall take such measures as are reasonably requested by Ex-Im Bank to cooperate with Ex-Im Bank in recovery efforts against each applicable Borrower, any guarantor or other obligor, and the applicable Collateral.

5.14 Loan Agreement Provisions. Lender shall incorporate in each Loan Agreement the following provisions:

(a) Compliance with Laws. Borrower represents and warrants that (i) it has complied in all material respects with all provisions of all applicable laws and regulations, including those relating to Borrower's ownership of real or personal property, the conduct and licensing of Borrower's business, the payment and withholding of taxes, ERISA and other employee matters, safety and environmental matters; and (ii) the Eligible Film (or any element or part thereof) shall not be produced in violation of the Fair Labor Standards Act or subject to the "hot goods" provisions contained in title 29, United States Code, Section 215 or any successor statute or section.

(b) Compliance with Loan Authorization Agreement. Borrower represents and warrants that it is familiar with all of the terms, conditions and other provisions of the Loan Authorization Agreement; and Borrower covenants that it shall fully perform and comply with all of such terms, conditions and other provisions to be performed and complied with on the part of Borrower.

(c) Suspension and Debarment, etc. On the date of this Agreement neither Borrower nor its Principals are (i) debarred, suspended, proposed for debarment with a final determination still pending, declared ineligible or voluntarily excluded (as such terms are defined under any of the Debarment Regulations referred to below) from participating in procurement or nonprocurement transactions with any United States federal government department or agency pursuant to any of the Debarment Regulations or (ii) indicted, convicted or had a civil judgment rendered against Borrower or any of its Principals for any of the offenses listed in any of the Debarment Regulations. Unless authorized by Ex-Im Bank, Borrower will not knowingly enter into any transactions in connection with the Eligible Film (or any element or part thereof) with any person who is debarred, suspended, declared ineligible or voluntarily excluded from participation in procurement or nonprocurement transactions with any United States federal government department or agency pursuant to any of the Debarment Regulations. Borrower will provide immediate written notice to Lender if at any time it learns that the certification set forth in this Section _____ was erroneous when made or has become erroneous by reason of changed circumstances. For the purposes hereof, (A) “Principals” shall mean any officer, director, owner, partner, key employee, or other Person with primary management or supervisory responsibilities with respect to Borrower, or any other Person (whether or not an employee) who has critical influence on or substantive control over the transaction covered by this Agreement and (B) the “Debarment Regulations” shall mean (x) the Governmentwide Debarment and Suspension (Nonprocurement) regulations (common Rule), 53 Fed. Reg. 19204 (May 26, 1988), (y) Subpart 9.4 (Debarment, Suspension and Ineligibility) of the Federal Acquisition Regulations, 48 C.F.R. 9.400 – 9.409 and (z) the revised Governmentwide Debarment and Suspension (Nonprocurement) regulations (Common Rule), 60 Fed. Reg. 33037 (June 26, 1995).

(d) Inspection of Collateral. Borrower shall permit the representatives of Ex-Im Bank of the United States to make at any time during normal business hours inspections of the Collateral and of Borrower’s facilities, activities, books and records, and shall cause its officers and employees to give full cooperation and assistance in connection therewith.

(e) Indemnification. Upon Ex-Im Bank’s payment of a Claim to Lender in connection with the Loan Facility pursuant to the Master Guarantee Agreement, Ex-Im Bank may assume all rights and remedies of Lender under the Loan Documents and may enforce any such rights or remedies against Borrower, the Collateral and any guarantors of the Loan Facility Obligations or other obligor thereunder. Borrower shall hold Ex-Im Bank and Lender harmless from and indemnify them against any and all liabilities, damages, claims, costs and losses incurred or suffered by either of them resulting from (i) any materially incorrect certification or statement knowingly made by Borrower or its agent to Ex-Im Bank or Lender in connection with the Loan Facility, this Agreement, the Loan Authorization Agreement or any other Loan Document, or (ii) any material breach

by Borrower, a guarantor of the Loan Facility Obligations or other obligor thereunder, of the terms and conditions of this Agreement, the Loan Authorization Agreement or any of the other Loan Documents. Borrower also acknowledges that any statement, certification or representation made by Borrower in connection with the Loan Facility is subject to the penalties provided in Article 18 U.S.C. Section 1001.

(f) Liens. Borrower agrees that any and all Liens granted by it to Lender are also hereby granted to Ex-Im Bank to secure Borrower's obligation, however arising, to reimburse Ex-Im Bank for any payments made by Ex-Im Bank pursuant to the Master Guarantee Agreement. Lender is authorized to apply the proceeds of, and recoveries from, any property subject to such Liens to the satisfaction of Loan Facility Obligations in accordance with the terms of any agreement between Lender and Ex-Im Bank.

(g) Proceeds of Credit Accommodations. Borrower agrees that none of the proceeds of the Credit Accommodations shall be used, directly or indirectly, for any purpose or thing other than for the payment of the costs of production of the Eligible Film included in the Production Budget therefor (which includes the fees, interest and other financing charges of Lender).

(h) Disposition of Assets. Borrower represents, warrants, covenants and agrees that it shall not dispose of any of its assets (including entering into any sale and leaseback arrangement covering any of its fixed or capital assets) unless (i) such disposal is for full, fair and reasonable consideration; and (ii) the proceeds of such disposal are used either to repay Loan Facility Obligations or to fund costs of production of the Eligible Film that are included in the Production Budget therefor.

(i) Distribution Agreements. Borrower shall not, nor shall it permit any other Person to, enter into license or distribution agreements with respect to the Eligible Film without (i) first obtaining Lender's written approval that the licensees or distributors thereunder and the terms thereof are acceptable to Lender, and (ii) in each case obtaining signed notices of assignment and distributors' acceptances or interparty agreements pursuant to which such licensees and/or distributors shall agree to make payment of their respective minimum guarantees directly to Lender without offsets, deductions, counterclaims or defenses which such licensees and/or distributors may claim against Borrower or any other Person pursuant to their respective license or distribution agreements or otherwise.

5.15 Indemnification. Lender hereby agrees to and hereby does indemnify, protect, save and keep harmless Ex-Im Bank, its successors and assigns from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses or disbursements (including legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against Ex-Im Bank in any way arising out of any act or omission of Lender and relating to this Agreement and any

Loan Authorization Agreement; provided, however, that Lender shall not be liable for any incidental or consequential damages nor shall Lender be liable for any liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of Ex-Im Bank, its successors and assigns. The provisions of this Section 5.15 shall survive the termination of this Agreement and any Loan Authorization Agreement and the payment of all or any portion of the Guaranteed Amount.

5.16 Minimum Lender Retention. Lender shall retain for its own account and at all times all liability for a portion of the Loan Facility Obligations in an amount equal to the Minimum Lender Retention, without security, guaranty or any other risk transfer or credit enhancement arrangement.

Article VI.

CLAIMS PROCEDURES

6.01 Conditions Precedent to Payment. Ex-Im Bank's obligation to make a payment to Lender under a Guarantee shall be subject to satisfaction (as determined by Ex-Im Bank in its sole discretion) of each of the following conditions (collectively, the "Claim Conditions"):

- (a) Lender shall have delivered the following to Ex-Im Bank:
 - (i) written demand on Ex-Im Bank by Lender for payment under the Guarantee delivered to Ex-Im Bank on a Business Day not sooner than thirty (30) calendar days nor later than one hundred twenty (120) calendar days after the applicable Maturity Date, with respect to the Loan Facility, which written demand shall state (i) the total principal balance of the aggregate outstanding Credit Accommodations and all unpaid interest thereon; (ii) the Coverage Base Amount as of the date of such demand (including a detailed statement of each Eligible Receivable Amount set forth in the Coverage Base Schedule); (iii) the Commitment Amount; (iv) the Maturity Date; (v) the current Guaranteed Interest Rate; and (vi) the identity of, and contact and other relevant information pertaining to, any participants, insurers, guarantors or other obligors under or in connection with the Loan Facility;
 - (ii) a copy of the written demand(s) made by Lender on the applicable Borrower, guarantors and other obligors for payment of all amounts due and payable with respect to the Loan Facility, except to the extent that the making of such demand would be prohibited by the automatic stay imposed pursuant to 11 U.S.C. § 362(a) in a bankruptcy proceeding of Borrower, and in such case Lender shall have no obligation to apply for relief from such stay;

- (iii) to the extent not previously furnished to Ex-Im Bank, duplicate originals or photocopies of fully executed copies of the Loan Authorization Agreement and all other Loan Documents (including all Lien perfection filings, instruments and documents) with respect to such Loan Facility;
- (iv) appropriate certification and other evidence that Delivery of the Eligible Film was effected (or deemed effected pursuant to applicable arbitration proceedings) to each Account Debtor who has not remitted payment in full to Lender of its Eligible Receivable Amount;
- (v) a copy of the written demand(s) for payment made by Lender on each applicable Account Debtor that has any amounts due and payable pursuant to its Distribution Contract;
- (vi) an affidavit of an officer of Lender certifying that Lender has complied in all material respects with the Lender Obligations;
- (vii) to the extent not previously furnished to Ex-Im Bank (i) fully executed copies of each Distribution Contract with respect to which the Eligible Receivable Amount has not been remitted in full to Lender, and copies of all communications between Lender and each applicable Account Debtor; and (ii) fully executed copies of all other agreements with any Person with respect to the exhibition, license, distribution and/or other exploitation of the Eligible Film as to which the Receivables have not been remitted in full to Lender, and copies of all communications between Lender and each such Person;
- (viii) copies of Lender's records regarding Credit Accommodations and applications of payments (including Receivables) from any source (including Account Debtors) to the Loan Facility Obligations;
- (ix) copies of all Coverage Base Schedules;
- (x) copies of all reports relating to the inspections and reviews required pursuant to Section 5.07 of this Agreement;
- (xi) appropriate certification and other evidence that Lender has retained for its own account and at all times all liability for a portion of the Loan Facility Obligations in an amount equal to the Minimum Lender Retention, without security, guaranty or any other risk transfer or credit enhancement arrangement; and
- (xii) copies of any other documents, records, correspondence or items in Lender's possession or under its control related to the Loan Facility, the

Loan Documents or the Lender Obligations, as reasonably requested by Ex-Im Bank.

(b) Lender has exercised the same care and diligence in the making of the Credit Accommodations under each Loan Facility, and in requiring security for repayment of the Loan Facility Obligations, as Lender exercises with respect to similar loans and obligations held by Lender for its own account and risk; and the form and substance of the Loan Documents with respect to each Loan Facility are substantially the same as Lender requires with respect to similar loans and obligations held by Lender for its own account and risk.

6.02 Disposition of Claims. Claims hereunder may only be submitted by Lender, and by no other Person. In the event Ex-Im Bank approves the payment of a Claim, Lender shall comply with all of the terms and conditions of this Agreement and fully cooperate with Ex-Im Bank in connection with any enforcement actions or other actions to realize upon the Collateral. Claim Payments under this Agreement shall be made to Lender only, and to no other Person. Ex-Im Bank reserves the right to deny a Claim or any portion thereof if Ex-Im Bank determines that (i) Lender has not complied with or otherwise satisfied in all material respects all of the Claim Conditions, (ii) Lender has not complied in all material respects with all of the Lender Obligations, or (iii) any of Lender's representations and warranties made to Ex-Im Bank herein, in the Loan Authorization Agreement or otherwise in connection herewith or therewith shall be false or misleading in any material respect.

6.03 Payment of Claims.

(a) Within thirty (30) calendar days of the Claim Date, Ex-Im Bank shall notify Lender whether Ex-Im Bank is prepared to make a Claim Payment under the Guarantee (the "Claim Disposition Notice"). In the event Ex-Im Bank denies the payment of a Claim or a portion thereof, Ex-Im Bank shall state the reasons for such denial in the Claim Disposition Notice.

(b) The amount of the Claim Payment shall not exceed the lesser of (i) the amount demanded by Lender, and (ii) the Guaranteed Amount.

6.04 Assignment. Upon or after the filing of any Claim, Lender shall, if requested by Ex-Im Bank, execute and deliver to Ex-Im Bank an Assignment Agreement. Lender shall deliver to Ex-Im Bank together with such Assignment Agreement, such other instruments and documents as Ex-Im Bank shall reasonably request together with appropriate endorsements thereto.

6.05 Liquidation by Lender. At all times from and after the execution of a Loan Authorization Agreement, until an Assignment Agreement, if any, is delivered to Ex-Im Bank, Lender shall enforce the Loan Documents and, if appropriate, liquidate the Collateral for the joint benefit of Lender and Ex-Im Bank, subject to the priorities and the

standard of care contemplated by this Agreement, the Loan Authorization Agreement, and any and all other agreements pertaining hereto or thereto.

6.06 Application of Recovery Proceeds. The Recovery Proceeds received by either Ex-Im Bank or Lender shall be allocated and disbursed as follows:

- (a) First, Ex-Im Bank and Lender shall receive, on a pro rata and pari passu basis, an amount equal to the Recovery Costs expended by them to the extent not reimbursed by Borrower or any other Person;
- (b) Second, ninety percent (90%) of the next remaining Recovery Proceeds shall be allocated and disbursed to Ex-Im Bank and ten percent (10%) of such remaining Recovery Proceeds shall be allocated and disbursed to Lender until Ex-Im Bank shall have received an amount equal to the amount of the Claim Payment; and
- (c) Third, all remaining Recovery Proceeds shall, subject to applicable law, be remitted to Lender for application to any other obligations of such Borrower to Lender that are secured by the Collateral.

6.07 Excess Payments. If either Ex-Im Bank or Lender (a “Benefited Party”) shall receive (whether voluntarily, involuntarily, or through the exercise of any right of banker’s lien, set-off or counterclaim) any Recovery Proceeds in excess of the amounts it is entitled to be paid hereunder, such Benefited Party shall allocate and disburse to the other party such excess payment in the manner set forth in Section 6.06 of this Agreement; provided, however, that if all or any portion of such excess payment is thereafter recovered from such Benefited Party the amount so recovered shall be returned to the Benefited Party by the other party.

Article VII.

MISCELLANEOUS

7.01 Completion Guarantor’s Right of Subrogation. If (a) a guaranty of completion and Delivery of an Eligible Film has been issued by a Completion Guarantor in favor of Lender, (b) Delivery of such Eligible Film is not effected to an Account Debtor, (c) the applicable Eligible Receivable Amount is excluded from the Coverage Base Amount in accordance with Section 2.05(a), (d) the Completion Guarantor reimburses Lender in an amount equal to the applicable Eligible Receivable Amount and Lender applies such amount to reduce the outstanding principal balance of Disbursements and all unpaid interest thereon, and (e) the Completion Guarantor is thereby entitled to a right of subrogation with respect to the applicable Eligible Receivable (which right of subrogation shall always be subject to Section 5.12 hereof), then the Eligible Receivable may be excluded from the Collateral to the extent of Completion Guarantor’s right of subrogation therein.

7.02 No Obligation to Extend Guarantee, etc. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, IN ANY OTHER AGREEMENT, DOCUMENT OR INSTRUMENT REFERRED TO HEREIN, OR ELSEWHERE, EX-IM BANK SHALL HAVE NO OBLIGATION WHATSOEVER TO ENTER INTO ANY LOAN AUTHORIZATION AGREEMENT OR TO EXTEND A GUARANTEE HEREUNDER WITH RESPECT TO ANY ELIGIBLE FILM, AND EX-IM BANK MAY REFUSE TO ENTER INTO ANY LOAN AUTHORIZATION AGREEMENT OR TO EXTEND A GUARANTEE HEREUNDER FOR ANY REASON OR NO REASON WHATSOEVER. LENDER CONFIRMS AND ACKNOWLEDGES THAT NO OFFICER, EMPLOYEE OR REPRESENTATIVE OF EX-IM BANK HAS ANY AUTHORITY TO MAKE ANY REPRESENTATION OR PROMISE TO THE CONTRARY OR THAT IS NOT OTHERWISE CONTAINED IN THIS AGREEMENT, AND THAT LENDER HAS NOT EXECUTED THIS AGREEMENT IN RELIANCE UPON ANY SUCH PROMISE OR REPRESENTATION.

7.03 Governing Law. This Agreement and each Loan Authorization Agreement and the obligations arising under this Agreement and the Loan Authorization Agreements shall be governed by, and construed in accordance with, the laws of the State of New York, United States of America, applicable to contracts made and performed wholly in such State, without regard to the principles thereof regarding conflicts of laws.

7.04 Notices. Any notice or request hereunder shall be in writing and delivered by hand, courier, facsimile or United States certified or registered mail, return receipt requested. Each notice or request hereunder shall include the Master Guarantee Agreement number set forth on the first page of this Agreement and if such notice or request relates to a specific Loan Facility, it shall also include the Guarantee Loan Facility number set forth on the first page of the Loan Authorization Agreement. Any notice or request hereunder shall be deemed validly given or delivered (a) when hand delivered to an officer of the party to whom it was addressed, (b) upon the earlier of actual receipt thereof or three (3) days after deposit in the United States Mail, certified or registered mail, return receipt requested, with proper postage prepaid, (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid and with delivery confirmation requested, or (d) upon transmission when sent by telecopier or other facsimile transmission with such telecopy or facsimile promptly confirmed by delivery or a copy by personal delivery, United States Mail or overnight courier as provided in this Section 7.04. The address for notices or requests to Lender and Ex-Im Bank shall be as follows:

To Lender:

Attention: _____

Telephone: _____

Facsimile: _____

To Ex-Im Bank: Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Charles Goohs,
Manager, Product Development
Telephone: (202) 565-3780
Facsimile: (202) 565-3793

or at such other address or facsimile number as may hereafter be specified in a notice designated as a notice of change of address or facsimile number under this Agreement.

7.05 Termination. This Agreement shall continue in full force and effect until the earliest to occur of (a) the cancellation, termination or suspension of the Program, and (b) the actual receipt by Lender from Ex-Im Bank of written notice of termination of this Agreement. Such termination shall be applicable only to transactions not consummated prior to the date of such termination, and rights and obligations arising out of the Guarantees that have become effective prior to the date of such termination shall not be affected.

7.06 Incorporation and Control of Loan Authorization Agreement. With respect to each Guarantee, this Agreement shall incorporate the terms and conditions of the relevant Loan Authorization Agreement. In the event that there is any conflict between any provision of this Agreement and any provision of a Loan Authorization Agreement, the terms of the Loan Authorization Agreement shall prevail and govern as to the relevant matter.

7.07 Modification of Agreement. This Agreement, the Loan Authorization Agreements and the other Loan Documents constitute the complete agreement between the parties with respect to the subject matter hereof and thereof, and supersede all prior agreements, commitments, understandings or inducements (oral or written, expressed or implied). This Agreement may not be modified, altered or amended except by a written agreement signed by Ex-Im Bank and Lender.

7.08 No Waiver. Neither Ex-Im Bank's failure, at any time or times, to require strict performance by Lender of any provision of this Agreement or any Loan Document, nor Ex-Im Bank's failure to exercise nor any delay in exercising any right, power or privilege hereunder or thereunder, (a) shall waive, affect or diminish any right of Ex-Im Bank thereafter to demand strict compliance and performance therewith, or (b) shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or future exercise thereof or the exercise of any other right, power or privilege. Any suspension or waiver of a provision under this Agreement or any Loan Document shall not suspend, waive or affect any other provision under this Agreement or any Loan Document, whether the same is prior or subsequent thereto and whether of the same or of a different type, and shall not be construed as a bar to any right or remedy which Lender would otherwise have had on any future occasion. None of the undertakings, indemnities, agreements, warranties, covenants and representations of

Lender to Ex-Im Bank in this Agreement or any Loan Document shall be deemed to have been suspended or waived by Ex-Im Bank, unless such waiver or suspension is by an instrument in writing signed by an officer or other authorized employee of Ex-Im Bank and directed to specifying such suspension or waiver (and then such suspension or waiver shall be effective only to the extent therein expressly set forth). Ex-Im Bank shall not, by any act (other than execution of a formal written waiver), delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder.

7.09 Partial Invalidity. If at any time any of the provisions of this Agreement becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, the validity nor the enforceability of the remaining provisions hereof shall in any way be affected or impaired.

7.10 Waiver of Jury Trial. EACH OF LENDER AND EX-IM BANK HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OR OMISSIONS OF LENDER, EX-IM BANK OR ANY OTHER PERSON RELATING TO THIS AGREEMENT, THE LOAN AUTHORIZATION AGREEMENTS OR ANY OTHER LOAN DOCUMENT, PROCEEDING OR OTHER LITIGATION BROUGHT TO RESOLVE ANY DISPUTE ARISING UNDER, ARISING OUT OF, OR IN CONNECTION WITH THIS AGREEMENT, ANY LOAN AUTHORIZATION AGREEMENT OR ANY OTHER AGREEMENT, DOCUMENT OR INSTRUMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THEREWITH.

7.11 Captions. The captions and titles contained in this Agreement shall be without substantive meaning or content of any kind whatsoever and are not part of the agreement between the parties hereto.

7.12 Counterparts. This Agreement, the Loan Authorization Agreements and the Loan Documents may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

(Name of Lender)

EXPORT-IMPORT BANK OF THE
UNITED STATES

By: _____

By: _____

Its: _____

Its: Vice President, Business Credit Division

ANNEX A

Form of Loan Authorization Agreement

ANNEX B

Lender Profile