

**TERMS OF SALE AND
GENERAL INFORMATION PACKAGE RESPECTING
SALE OF COLLATERAL
*A SOUND OF THUNDER***

THE SALE: Secured Creditor (as defined below), in its capacity as successor-in-interest to the right of Originating Lender (as defined below) under the Comerica-Originated Loan Agreement (as defined below), shall exercise its rights to dispose of all of the rights of the Debtors (as defined below) in and to the Collateral (as defined below) in accordance with Section 9610, other applicable sections of the California Uniform Commercial Code (the “UCC”), and other applicable law (the “Sale”).

SALE DATE: Wednesday, December 8, 2020, at 11:00 a.m. Secured Creditor, in its sole discretion, reserves the right to further postpone the Sale.

SALE LOCATION: At the law offices of Buchalter, A Professional Corporation, 1000 Wilshire Boulevard, Suite 1500, Los Angeles, California, 90017, or such other place and time as specified by Secured Creditors. Parking will not be validated.

HEALTH AND SAFETY PROTOCOLS: Due to current health and safety restrictions imposed by the State of California and the County of Los Angeles, any person wishing to attend the Sale in person must (i) pre-register at least three (3) business days in advance of the date of the Sale with Jeffrey Garfinkle at Buchalter, who may be contacted at jgarfinkle@buchalter.com; (ii) complete and satisfy the required health and safety questionnaire (which will be provided in advance of the Sale); and (iii) comply with all current health and safety restrictions imposed and required by the State of California, the County of Los Angeles and Buchalter.

AGREEMENTS UNDER WHICH DEBTORS’ OBLIGATION ORIGINATE: The obligations of Debtors to Secured Creditor originate under that certain Loan and Security Agreement (the “Comerica-Originated Loan Agreement”), dated as of October 17, 2003, by and between Laptron Limited, a company organized under the laws of England and Wales (“Borrower”), on the one hand, and Comerica Bank, a Michigan banking corporation (“Comerica” or “Originating Lender”), on the other hand, and various other corresponding security agreements, copyright mortgages, UCC Financing Statements, Charges and Deeds of Assignment, Laboratory Control Agreements and other instruments, pursuant to which Originating Lender advanced certain funds to Borrower as a loan, the total amount of such advances were approximately Sixteen Million Dollars (US\$16,000,000) (“Loan”), the proceeds of which Loan were used by Borrower to finance the production of the motion picture entitled

SECURED CREDITOR: Zelus Film Holding Company, LLC, a Delaware limited liability company (“Zelus FHC,” “Secured Creditor”), in its capacity as successor-in-interest to the rights of Originating Lender under the Comerica-Originated Loan Agreement.

DEBTOR(S): As used herein the term “Debtor(s)” refer Borrower and the following entities, which are referred to collectively as “Producer(s) and each of which may hold junior or subordinate

interests in the Collateral: ApolloMedia GmbH & Co. 5. Filmproduktion KG (“Apollo Media Co. 5”); ApolloMedia GmbH (“Apollo Media”); QI Quality International GmbH & Co. KG (“Quality”); Film Group 111 spol. S.r.o. (“Film Group”); MFF (Sound of Thunder) Limited (“MFF”); and CoCo Films, LLC (“CoCo”).

COLLATERAL: As used herein, the term “Collateral” refers, collectively, to: (a) the “Collateral” as defined in Section 7.1 of the Comerica-Originated Loan Agreement, which includes, without limitation, all of the Borrower’s right, title and interest in and to the Film; and (b) the “Collateral” as defined in that certain Co-Producer Security Agreement, dated as of October 17, 2003, by and between Producers and Originating Lender, which includes, with limitation, all rights of the Producers in and to the Film.

For avoidance of doubt, the Collateral includes, but is not limited to, allied, ancillary and subsidiary rights in and to the Film and all properties and things of value pertaining thereto and all products and proceeds thereof whether now in existence or hereafter made, acquired or produced, including, without limitation, the following:

1. The screenplay for the Film (“Screenplay”), written by Thomas Dean Donnelly, Joshua Oppenheimer and Gregory Poirier, registered with the U.S. Copyright Office under Form PAu 2-2888870 on March 15, 2005 in the name of Borrower, Laptron, as copyright claimant;
2. The underlying literary property on which the Screenplay is based (“Literary Property”), including, without limitation, the original short story written by Ray Bradbury (“Author”) circa 1953, also entitled *A Sound of Thunder*, registered with the U.S. Copyright Office under B00000364107 on June 6, 1952 and renewed under Form RE0000076219 on December 29, 1980, subject only to certain rights reserved to Author;
3. The Film, which is registered with the U.S. Copyright Office under Form PA 1-267-239 on October 21, 2005 in the name of Producer, Apollo Media Co. 5, as copyright claimant; and
4. all motion picture contract rights, investment property, and general intangibles (as such terms are defined in the UCC) in connection with or relating to the Film, including all rights to receive the payment of money under present or future contracts or agreements (whether or not earned by performance) from the sale, distribution, exhibition, disposition, leasing, subleasing, licensing, sublicensing and other exploitation of the Film, the Screenplay or the Literary Property or any part thereof or any rights therein in any medium, whether now known or hereafter developed, by any means, method, process or device in any market.

Prospective buyers are responsible for conducting their own investigations regarding the Collateral. The Collateral may be encumbered with liens, security interests, and other interests and claims held by claimants in addition to Secured Creditor. Secured Creditor makes no representation or warranty regarding Debtors’ rights, title and interests, if any, in the Collateral. The sale of Collateral will be made on an assignment and quitclaim basis, as-is, where-is, with all defects and faults, and without recourse, warranty or representation, express or implied.

QUALIFIED BIDDERS: The Secured Creditor has assembled information pertaining to the Collateral for review by “Qualified Bidders,” which for purposes hereof shall be defined as those entities or persons that have:

(a) agreed to use the information solely for the purpose of evaluating as to whether to bid at the Sale, and further, to maintain the confidentiality of such information by entering into a nondisclosure agreement (the “NDA”);

(b) provided written proof, to Secured Creditor’s satisfaction, that such entity or person has the financial ability to deliver cash or a cash equivalent to satisfy a purchase price in a minimum amount of not less than One Million Dollars (US\$ 1,000,000); and

(c) demonstrated that the person has the bona fide interest, intent and ability to bid on the Collateral, and does not intend to violate the NDA by using such confidential information or any part thereof for an impermissible purpose.

Notwithstanding the foregoing Secured Creditor reserves the right to require prospective bidders to satisfy additional conditions.

Secured Creditor reserves the right to apply some, or all of Debtors’ indebtedness under the Comerica-Originated Loan Agreement, by way of a credit bid of at least One Million Dollars (US\$1,000,000).

**THIS PACKAGE CONTAINS THE TERMS OF SALE AND FURTHER INFORMATION
REGARDING THE COLLATERAL FOR PARTIES SO REQUESTING**

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**INFORMATION FURTHER TO
NOTICE OF PUBLIC SALE OF COLLATERAL
A SOUND OF THUNDER**

I. GENERAL BACKGROUND INFORMATION.

1. The motion picture entitled *A Sound of Thunder* directed by Peter Hyams and starring Edward Burns and Sir Ben Kingsley (the “Film”) was produced by ApolloMedia GmbH & Co. 5. Filmproduktion KG (“Apollo Media Co. 5”), ApolloMedia GmbH (“Apollo Media”), QI Quality International GmbH & Co. KG (“Quality”), Film Group 111 spol. S.r.o. (“Film Group”), MFF (Sound of Thunder) Limited (“MFF”) and CoCo Films, LLC (“CoCo,” and together with Apollo Co. 5., Apollo Media, Quality, Film Group and MFF, collectively “Producer[s]”). The Film is registered with the U.S. Copyright Office under Form PA 1-267-239 on October 21, 2005 in the name of Apollo Media Co. 5 as copyright claimant.

2. Pursuant to the Purchase and Distribution Agreement (“Purchase and Distribution Agreement”), dated as of August 27, 2002, by and between Producers, on the one hand, and Laptron Limited (“Laptron”), on the other hand, Producers sold, granted and assigned to Laptron the exclusive right to market, distribute, sub-distribute and otherwise exploit the Film in all media now known or hereafter devised (as defined therein, the “Rights.”

3. Pursuant to the Sales Agency Agreement (“Sales Agency Agreement”), dated as of August 27, 2002, between Laptron, on the one hand, and Franchise Pictures, LLC (“Franchise” or “Sales Agent”), on the other hand, Laptron appointed Sales Agent as its sole and exclusive representative to (a) supervise the distribution, marketing, and advertising of the Film; (b) conduct the negotiations for sale, sell and/or license the Film to buyers, licensees, agents, broadcasters and exhibitors; and (c) supervise the collection and payment of revenues derived from exploitation of the Film.

4. On or about October 17, 2003, Laptron (“Borrower”), on the one hand, and Comerica Bank, a Michigan banking corporation as both Agent and Lender (“Comerica” or “Originating Lender”), on the other hand, entered into that certain Loan and Security Agreement, pursuant to which Comerica advanced certain funds to Borrower as a loan, the amount of which advances total approximately Sixteen Million Dollars (US\$16,000,000) (“Loan”), as such Loan and Security Agreement has been amended by the parties pursuant to Amendment No. 1 to Loan and Security Agreement, dated February 15, 2005, and Amendment No. 2 to Loan and Security Agreement, dated October 1, 2005 (the “Comerica-Originated Loan Agreement”).

5. As security for Borrower’s obligation to repay the Loan, Borrower granted the Originating Lender a continuing security interest in, lien on, and right of set-off against, all of the Borrower’s right, title and interest in and to certain “Collateral,” as such term is defined in Section 7.1 of the Comerica-Originated Loan Agreement, which Collateral includes all of Borrower’s right title and interest in and to the Film, including, without limitation, Borrower’s rights under the Purchase and Distribution Agreement and the Sales Agency Agreement (“Borrower Security

Interest”), which security interest was perfected pursuant to various documents, including, without limitation, that certain Copyright Mortgage and Assignment by Borrower in favor of Originating Lender, as recorded with the U.S. Copyright Office on December 29, 2003, Vol. 3504, Doc. 91, Pages 1-7.

6. As a material inducement to Originating Lender to enter the Comerica-Originated Loan Agreement, the Producers, on the one hand, and Originating Lender, on the other hand, entered in to that certain Co-Producer Security Agreement (“Co-Producer Security Agreement”), dated as of October 17, 2003, pursuant to which each Producer granted the Originating Lender a continuing security interest in, lien on, and right of set-off against, all right, title and interest in and to certain “Collateral,” as such term is further defined therein, which includes all of the Producers’ right, title and interest in and to the Film, including, without limitation, the copyright in and to the Film registered by Producer, Apollo Media Co. 5, as copyright claimant, and each of the Producers’ rights under the Purchase and Distribution Agreement (“Producer Security Interest”), which security interest was perfected pursuant to various documents, including, without limitation, the following:

- (a) Copyright Mortgage and Assignment by Apollo Media Co. 5 and Apollo Media in favor of Originating Lender, as recorded with the U.S. Copyright Office on December 29, Vol. 3504, Doc. 92, Pages 1-6; and
- (b) Copyright Mortgage and Assignment by Apollo Media Co. 5 and Apollo Media in favor of Originating Lender, as recorded with the U.S. Copyright Office on October 15, 2004, Vol. 3515, Doc. 642, Pages 1-6.

7. As further security for the repayment of Borrower’s obligations under the Comerica-Originated Loan Agreement, Borrowers and Producers (collectively, “Debtors”) executed and delivered in favor of Originating Lender various security agreements, copyright mortgages, UCC Financing Statements, Charges and Deeds of Assignment, Laboratory Control Agreements and other instruments, as such documents may have been amended, restated, supplemented or otherwise modified from time to time, which documents, together with the Comerica-Originated Loan Agreement and the Co-Producer Security Agreement shall be referred to herein collectively as the “Fundamental Documents.” An index of the Fundamental Documents, and access to copies thereof, will be provided to qualified prospective purchasers.

8. Included in the Fundamental Documents is a Power of Sale (“Power of Sale”), dated as of October 17, 2003, 17, 2003, executed by Borrower and the Producers appointing Originating Lender as their attorney-in-fact to do any of the following “(i) enforce all of the undersigned’s rights under and pursuant to all agreements with respect to the Collateral, all for the sole benefit of the [Originating Lender], (ii) to lease, license, sell or otherwise dispose of the Film and/ or such distribution rights in and to the Film, (iii) negotiate such lease, license, sale or other agreements and to enter into any agreements, including a new sales agency and sub-distribution agreements, (iv) compromise, demand, settle, adjust, collect, and receive all monies payable per the sub-distribution or other agreements, and (v) bring all actions and suits for collecting monies.”

9. Upon the occurrence of an Event of Default, in addition to Originating Lender's right to dispose of the Collateral in accordance with Section 9610, other applicable sections of the California Uniform Commercial Code (the "UCC"), and other applicable law, pursuant to Paragraph 11.2 of the Comerica-Originated Loan Agreement, Originating Lender is entitled to "(i) terminate [the Comerica-Originated Loan Agreement]; (ii) terminate the [rights of both the Borrower and Sales Agent] to exploit [the rights in and to the Film under the Purchase and Distribution Agreement and the Sales Agency Agreement]; (iii) declare any or all Obligations to be immediately due and payable; and (iv) pursue its other rights and remedies under the [Fundamental Documents] and applicable law."

10. Upon the occurrence of an Event of Default, in addition to Originating Lender's right to dispose of the Collateral in accordance with Section 9610, other applicable sections of the UCC, and other applicable law, pursuant to Paragraph 8(c) of the Co-Producer Security Agreement, Originating Lender is entitled to: "lease, license, sell, encumber or otherwise deal with or dispose of the Collateral and/or such rights therein as have not been disposed of on the date of such Event of Default (or to engage others to do so with the costs and expenses thereof to be recoupable by the [Originating Lender] . . . ; to negotiate any lease, license, sale or other agreement and to enter into agreements on behalf of a Producer relating to the Collateral on such terms and conditions as the [Originating Lender] deems appropriate; to terminate and/or renegotiate the Sales Agency Agreement as the [Originating Lender] in its sole discretion deems proper; to require, demand, collect, receive, settle, adjust, compromise and to give acquittances and receipts for the payment of any and all monies payable pursuant to such Collateral as the [Originating Lender] has a Security Interest in pursuant hereto and such licenses and agreements as the [Originating Lender] has a Security Interest in pursuant hereto and such licenses and agreements as the [Originating Lender] may enter into on behalf of any Producer as aforesaid; to file any claims and/or proofs of claim, to commence, maintain or discontinue any actions, suits or other proceedings deemed by the [Originating Lender] advisable for the purpose of collecting or enforcing payment of any such monies; to endorse any checks, drafts or other orders or instruments for the payment of monies payable to a Producer which shall be issued in respect of such monies; to execute on behalf of a Producer any and all such instruments, agreements or documents as may be necessary or desirable in the premises; and to apply any receipts so derived as herein provided."

11. Borrower was to repay the Loan (including the outstanding principal balance, as well as all accrued but unpaid interest thereon) on the "Maturity Date," defined therein as February 15, 2005. The Maturity Date was extended to April 3, 2006 through two subsequent amendments to the Comerica-Originated Loan Agreement.

12. Borrowers failure to pay the Loan when due is defined as an "Event of Default" under the Comerica-Originated Loan Agreement. The Borrower did in fact fail to repay the Loan on or before the Maturity Date. Originating Lender notified Debtors that Borrower's failure to repay the Loan constituted an Event of Default [on or about April 4, 2006]. According to Originating Lender,

as of June 26, 2006, the Borrower's indebtedness under the Loan was approximately [One Million Seven Hundred Forty-Eight Thousand Six Hundred and Two Dollars (US\$1,748,602)].¹

13. After the Event of Default due to Borrower's failure to repay the Loan by the Maturity Date, [on or about April 4, 2006] Originating Lender exercised its rights under the Comerica-Originated Loan Agreement and the Co-Producer Agreement to: (a) suspend all rights of Sales Agent under the Sales Agency Agreement; (b) suspend all rights of Borrower under the Purchase and Distribution Agreement; and (c) rather than exercise its rights as a secured creditor to dispose of the Collateral in accordance with Section 9610, other applicable sections of the UCC and other applicable law, instead Originating Lender elected the remedy of taking-over management of all of Sales Agent's and Borrower's business and affairs with respect to the Film pursuant to the Power of Sale and then apply the proceeds therefrom to the repayment of the Loan.

14. Pursuant to that certain Deed of Assignment ("First Comerica-Originated Loan Assignment"), dated as of September 29, 2006, between Originating Lender, on the one hand, and FPLAC, LLC, a limited liability company formed under the laws of Delaware ("FPLAC"), on the other hand, Originating Lender sold, transferred and assigned to FPLAC all of Originating Lender's right, title and interest in and to the Comerica-Originated Loan Agreement, the Fundamental Documents and all rights appurtenant thereto. After the effective date of the First Comerica-Originated Loan Assignment, rather than exercise its rights as a secured creditor to dispose of the Collateral in accordance with Section 9610, other applicable sections of the UCC and other applicable law, FPLAC instead elected the same remedy that its predecessor Originating Lender did by continuing to manage all of Sales Agent's and Borrower's business and affairs with respect to the Film pursuant to the Power of Sale and then apply the proceeds therefrom to repayment of the Loan.

15. Zelus FHC became the successor-in-interest to the rights of Originating Lender under the Comerica-Originated Loan Agreement ("Secured Creditor") pursuant to the following sequence of transactions:

- (a) Pursuant to the Amended and Restated Credit and Security Agreement ("ThinkFilm Loan Agreement"), dated as of March 2, 2007, by and between FPLAC, ThinkFilm, LLC, a Delaware limited liability company ("ThinkFilm") and Zoopraxis Film Assets LLC f/k/a SSE Preferred Holdings, LLC, a Delaware limited liability company ("Zoopraxis," and

¹ Pursuant to Schedule "1" attached to and incorporated therein to that certain Loan Purchase and Sale Agreement, dated as of June 21, 2006, by and between Capco Group, LLC, on the one hand, and Originating Lender, on the other hand, Originating Lender represented that balance due on Borrower's indebtedness under the Loan, as of June 26, 2006, was as approximately follows:

Principal Balance on the Loan	\$1,523,686.73
Interest due on June 26, 2006	\$153,086.97
Interest Late Charge	\$4,295.35
Outstanding Legal Expenses	\$67,533.11
	\$1,748,602.16

together with ThinkFilm and FPLAC, the “ThinkFilm Borrowers”), on the one hand, and D.B. Zwirn Special Opportunities Fund, L.P. (“DBZ”) as Administrative Agent for Bernard National Loan Investors, Ltd. and Bernard Global Loan Investors (“DBZ Lender Group”), DBZ advanced certain funds to the ThinkFilm Borrowers as a loan and as security for the ThinkFilm Borrowers’ obligations thereunder FPLAC granted DBZ a continuing security interest in, lien on, and right of set-off against, certain motion picture assets serving as collateral, which included FPLAC’s rights in its capacity as successor-in-interest to the rights of Originating Lender under the Comerica-Originated Loan Agreement and the Fundamental Documents by way of the First Comerica-Originated Loan Assignment (“DBZ-Originated Security Interest”).

- (b) Pursuant to the Assignment (“ThinkFilm Loan Assignment”), dated as of June __, 2009, by and between Library Asset Acquisition Company, Ltd., a limited liability company formed under the laws of England and Wales (“LAAC”), on the one hand, and DBZ, on the other hand, the DBZ Lender Group assigned to LAAC all of their right, title and interest in and to the ThinkFilm Loan Agreement and the DBZ-Originated Security Interest.
- (c) On or about December 16, 2015, LAAC, in its capacity as successor-in-interest to the DBZ Lender Group pursuant to the ThinkFilm Loan Assignment, by reason of one or more events of default by the ThinkFilm Borrowers, exercised LAAC’s rights as a secured party to dispose of the assets pledged as collateral under the DBZ-Originated Security Interest in accordance with Section 9610, other applicable sections of the UCC and other applicable law, to conduct a non-judicial foreclosure sale of such collateral, which included, without limitation FPLAC’s² rights in and to the Comerica-Originated Loan Agreement, the Fundamental Documents and all rights appurtenant thereto, in FPLAC’s capacity as successor-in-interest to the rights of Originating Lender by way of the First Comerica-Originated Loan Assignment.
- (d) LAAC, was the highest bidder at the above referenced non-judicial foreclosure sale, crediting a portion of the indebtedness owed by the ThinkFilm Borrowers under the ThinkFilm Loan Agreement, after which LAAC designated Zelus FHC to take the assignment of the collateral pledged under the DBZ-Originated Security Interest, including, without limitation, all of FPLAC’s rights in and to the Comerica-Originated Loan Agreement, the Fundamental Documents and all rights appurtenant thereto, in FPLAC’s capacity as successor-in-interest to the rights of Originating Lender by way of the First Comerica-Originated Loan Assignment (the “Second Comerica-Originated

² On or about October 24, 2008, FPLAC and four other entities executed a Bill of Sale and Assignment with Orange Holdings, LLC (“Orange Holdings”), wherein FPLAC sold, and Orange Holdings purchased all of FPLAC’s “physical, monetary and other rights” in and to the Film (“Orange Holdings Bill of Sale”). Accordingly, Orange Holdings technically became the borrower under the ThinkFilm Loan Agreement. On or about July 22, 2009, Orange Holdings filed a certificate of name change to TFC Library, LLC (“TFC”) with the state of Delaware. Regardless, the LAAC sold, transferred and assigned to Secured Creditor any and all rights of both FPLAC and TFC pursuant to the foreclosure sale that LAAC conducted on December 16, 2015.

Loan Assignment”), as such Second Comerica-Originated Loan Assignment is further described in that certain Memorandum of Public Disposition of Collateral and UCC Transfer Statement, both of which are dated December 16, 2015.

16. During the period between the effective date of the Second Comerica-Originated Loan Assignment and continuing up to the present date, Secured Creditor has thus far, in the same way Secured Creditor’s predecessors (Originating Lender and FPLAC) have done, elected to continue to manage Sales Agent’s and Borrower’s business and affairs with respect to the Film pursuant to the Power of Sale and then apply the proceeds therefrom to repayment of the Loan.

17. The Loan remains unpaid and the Borrower’s Event of Default continues. As of November 9, 2020, the amount of the indebtedness Borrower owes Secured Creditor under the Comerica-Originated Loan Agreement is approximately Four Million One Hundred Seventeen Thousand Four Hundred and Ninety-Five Dollars (US\$4,117,495).

II. The Sale.

1. Secured Creditor has elected to sell, assign and transfer at public sale to the highest bidder, for cash or otherwise acceptable terms, all right, title and interest of the Borrower and Producers, if any, in and to the Collateral (the “Sale”). The Sale will be conducted on November 25, 2020, at 11:00 a.m. at the offices of Buchalter, A Professional Corporation, 1000 Wilshire Boulevard, Suite 1500, Los Angeles, California, 90017. Secured Creditor, in its sole discretion, reserves the right to further postpone the Sale.

2. Due to current health and safety restrictions imposed by the State of California and the County of Los Angeles, any person wishing to attend the Sale in person must (i) pre-register at least three (3) business days in advance of the date of the Sale with Jeffrey Garfinkle at Buchalter, who may be contacted at jgarfinkle@buchalter.com; (ii) complete and satisfy a required health and safety questionnaire (which will be provided in advance of the Sale); and (iii) comply with all current health and safety restrictions imposed and required by the State of California, the County of Los Angeles and Buchalter.

3. Secured Creditor has, in accordance with the requirements of the UCC, provided notice of the Sale to those persons and entities entitled to notice thereof.

III. Terms of the Sale.

1. The Sale will be conducted in connection with the outstanding obligations owed to Secured Creditor pursuant to the Comerica-Originated Loan Agreement, which, as of the November 9, 2020 is approximately Four Million One Hundred Seventeen Thousand Four Hundred and Ninety-Five Dollars (US\$4,117,495) (the “Secured Obligations”). Secured Creditor reserves the right to make a “credit bid” of at least US\$1,000,000, in the aggregate. The Sale is anticipated to be by way of either a credit bid or an all-cash sale, provided, that if competing offers with different terms and conditions are submitted, Secured Creditor reserves the right to consummate only an all-cash sale,

including a credit bid, and to consider and determine whether an alternative offer may be accepted, and their decision in this regard will be final. Secured Creditor reserves the right to adjourn the Sale from time to time, pending such determination.

2. Secured Creditor has made good faith efforts to compile information regarding the property that may be included in the Sale, including, certain information regarding the sales and availabilities for the Film included in the Collateral (the "Avails"). Secured Creditor will provide available information respecting the Avails to Qualified Bidders. Notwithstanding the furnishing of such information, the sale will be made without recourse, warranty or representation, express or implied, including as to the specific information set forth in the Avails; provided, further, any discrepancy between the Avails and the actual sales availabilities for any film title(s) will not constitute a fundamental failure of consideration.

3. Secured Creditor cannot and do not warrant the extent of Borrowers' or Producer's right, title or interest, if any, in the Collateral, nor the accuracy or completeness of Secured Creditor's information regarding the Collateral or the Avails. Secured Creditor cannot and do not warrant what specific rights, if any, Borrower or Producer has in the Collateral, nor whether the internal chain-of-title documents are accurately reflected in the chain-of-title records with the United States Copyright Office. Prospective buyers are responsible for conducting their own investigations regarding the Collateral. The proposed disposition will be made on an assignment and quitclaim basis, as-is, where-is, with all defects and faults, and without recourse, warranty or representation, express or implied.

4. As a general matter, motion pictures and related rights therein are complex. The investigation and diligence regarding the existence, attachment, perfection and priority of the claims of various lienholders and rights-holders with respect to the Collateral is the responsibility of the potential purchaser. Secured Creditor makes no representations or warranties as to the potential claims of other lienholders or rights-holders respecting the Collateral. In addition, it may be necessary or appropriate to become a party directly or indirectly to agreements that comprise some aspect of the Collateral, including agreements which limit the ability of a purchaser to exploit the Collateral, or which require the purchaser to provide consideration or remuneration to other persons, or to share or pay over proceeds from exploitation to other persons. The purchaser will take the Collateral subject to any such senior lienholders' claims against the Collateral, and all counterparty contract obligations required under the various agreements that comprise the Collateral. The purchaser may also face potential actions to determine the priority of claims against the Collateral. The purchaser may also generally have defenses available to it with respect to any such claims, although certain defenses of the borrowers or guarantors may not be assignable as a matter of law. Due to the nature of the Collateral, prospective buyers are responsible for conducting their own investigations of the Collateral. The disposition will be made on an as-is, where-is basis, with all defects and faults, and without recourse, warranty or representation, express or implied.

IV. Sale Procedure.

The Sale will be to the highest bidder, for cash, of all of Borrower's and Producer's right, title and interest, if any, in the Collateral securing the obligations owed to Secured Creditor. Secured Creditor reserves the right to adjourn or postpone the sale, and to exercise all other rights and remedies available to Secured Creditor under the UCC, including the right to effect one or more private sales respecting the Collateral or any part thereof.

Secured Creditor will accept bids on the Collateral upon the following terms and conditions:

1. The bidding is open to all Qualified Bidders. For purposes hereof, "Qualified Bidders," is defined as those entities or persons that have:
 - (a) agreed to use the information solely for the purpose of evaluating as to whether to bid at the Sale, and further, to maintain the confidentiality of such information by entering into an NDA in the form and substance acceptable to Secured Creditor;
 - (b) provided written proof, to Secured Creditor's satisfaction, that such entity or person has the financial ability to deliver cash or a cash equivalent to satisfy a purchase price in a minimum amount of at least One Million Dollars (US\$1,000,000)] ("Minimum Bid");
 - (c) demonstrated that the person has the bona fide interest, intent and ability to bid on the Collateral, and does not intend to violate the NDA by using such confidential information or any part thereof for an impermissible purpose; and
 - (d) satisfaction of additional conditions as Secured Creditor deem appropriate under the circumstances.

Notwithstanding the foregoing, Secured Creditor reserves the right to apply some, or all of the Secured Obligations, by way of a credit bid of at least One Million Dollars (US\$1,000,000).

2. The sale of the Collateral will be "as is," "where is," "with all faults," without recourse, without any implied or express representation or warranty of any kind whatsoever, including, but not limited to, any warranty (a) that the Collateral is or can be used for any particular purpose; (b) the merchantability or fitness for any particular purpose; or (c) the existence, ownership or condition of the Collateral. The Secured Creditors make no representation or warranty concerning any claims any third parties may have with respect to the Collateral and the successful bidder assumes all risk in connection therewith, including, but not limited to, any claims of other purported rights-holders or other claimants. Accordingly, there is no warranty relating to title, ownership, scope of rights, fitness for any purpose or exploitation, possession, use or the like in this disposition and/or any sale pursuant to this disposition.

3. ***Notwithstanding the availability of the data room, prospective bidders are responsible for conducting their own investigations regarding the Collateral.***

4. The Collateral may be subject to one or more liens or similar claims, including by performance guilds such as the Writers Guild of America, Directors Guild of America and Screen Actors Guild or other performer's guilds (collectively, the "Guilds"), and/or rights under any distribution agreements or agreements with talent, writers, composers or others that entitle such person to royalties in connection with the motion picture films, and any contractual rights and liens of any laboratory or storage facility in possession of the Collateral. Secured Creditor makes no representations or warranties as to the nature or extent of any such liens or lien claims. The Sale is being conducted in compliance with the requirements of the UCC, which may require that proper lienholders of record under the UCC and the Registrar of Copyrights be given prior notice of the Sale, which Secured Creditor has undertaken and effected in accordance with the UCC.

5. The Collateral is being offered as a single lot, provided, that the Secured Creditor retain the right in its discretion to sell the Collateral in lots, in any manner that Secured Creditor may determine most advantageous, in their discretion.

6. **THIS IS A CASH SALE.** Qualified Bidders must deliver to Secured Creditor's counsel payment of at least One Million Dollars (\$1,000,000) on or before the day of the Sale (the "Deposit"). In the event that Secured Creditor accepts a bid, the Qualified Bidder's Deposit will become non-refundable and the remainder of the purchase price must be paid in full in cash or Bank Cashier's Check the following business day (the "Full Payment"). Bids from those who are not Qualified Bidders will not be accepted.

7. Upon receipt of the Full Payment, Secured Creditor will execute and deliver to purchaser the Assignment and Quitclaim, subject to the countersignature and delivery thereof by purchaser. The purchaser must pay all settlement fees, filing fees, UCC and copyright mortgage filing fees, and any other fee or tax payable on account of the transfer (other than taxes imposed upon income of Secured Creditors). If the Secured Creditor is the purchaser of the Collateral, the amount bid at the sale by the Secured Creditor will be a credit against the Secured Obligations.

8. If any successful bidder fails for any reason to complete the transaction as provided above, the Deposit will be forfeited and applied to the costs of the sale, and thereafter applied towards satisfaction of the obligations under the Loan Documents. There will be no refunds. Such forfeiture does not limit any rights or remedies of the Secured Creditor with respect to any such default. After any such default and forfeiture, the Collateral may at the discretion of the Secured Creditor be conveyed to the next highest bidder whose bid was acceptable to the Secured Creditor. If, instead, the Collateral is resold, such re-sale will be at the risk and the cost of the failing bidder, and the failing bidder is liable for any deficiency between its bid and the successful bid at the resale as well as the costs of conducting such re-sale.

9. Immediately upon conveyance by the Secured Creditor of the Collateral, all duties, liabilities, and obligations of the Secured Creditor, if any, with respect to the Collateral so conveyed are extinguished except as specifically provided herein.

10. Secured Creditor reserves the right to modify the requirements for the Deposit, to withdraw all or any part of the Collateral from the Sale, to postpone the Sale, and to conduct such other sales as Secured Creditors may determine in their sole discretion.

11. Secured Creditor may adjourn the sale from time to time, or cancel the sale, without written notice or further publication, by announcement at the time and place last scheduled for the sale. Secured Creditor is not obligated to make any sale pursuant to this notice and reserves the right to reject any offer, in its sole discretion, for any reason whatsoever. If competing offers with different terms and conditions are submitted, Secured Creditor reserves the right to determine which offer will be accepted, and Secured Creditor's decision in this matter is final.

12. Secured Creditor reserves the right to credit bid against the Secured Obligations owed at the Sale or at any continuance thereof. Secured Creditor intend to bid no less than the Minimum Bid.

13. The successful bidder is not be entitled to take possession of the Collateral purchased by it until Secured Creditor has received Full Payment, without any credit or offset.

14. The above terms and conditions of sale may be subject to additional or amended terms and conditions to be announced at the time of sale or any adjournment or continuance thereof.

15. Borrowers are entitled to an accounting of the unpaid indebtedness secured by the Collateral. Upon request, Secured Creditors will provide the borrowers with such accounting.

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