

MSP FILM FUND LLC

COMMITMENT LETTER

As of May 1, 2013

To the undersigned purchaser:

The purpose of this Commitment Letter is to set forth the commitment of the undersigned purchaser ("Purchaser") to purchase the equity interests being offered by MSP Film Fund LLC ("Fund") on the terms set forth herein.

The Fund and Purchaser hereby agree as follows:

1. Summary of The Offering.

a. The Fund. The Fund is raising \$275 Million (to be increased to up to \$550 Million for Oversubscriptions, as discussed and defined below) through the offer of equity interests in the Fund ("Equity Interests"). Proceeds from the offering will be used to co-finance the production and print and advertising costs of the next 100 consecutive motion pictures, without exclusions (collectively, "Fund Pictures"), released by the US major motion picture studio, Universal Pictures, a division of NBCUniversal, Inc. ("Universal"), pursuant to the terms and conditions set forth in the Co-Financing and Distribution Agreement dated July 14, 2012 between Universal and the Fund ("Closing Agreement"). The Fund also is arranging and expects to obtain a senior secured credit facility with Union Bank (Mitsubishi) as lead bank ("Union") in the a principal amount not to exceed \$250 Million (subject to proportionate increase in the event of added Equity Interests due to Oversubscriptions) on customary motion picture industry terms for slate financing transactions (the "Union Bank Proposal"), as arranged by the Managing Member (as defined below) in its sole discretion, with major banks active in motion picture financing and in this form of loan transaction ("Credit Facility"). The Credit Facility will be non-recourse to Purchaser and other purchasers of the Equity Interests, and Purchaser will have no liability, indemnification obligations or other obligations under the Credit Facility or for any other debts, obligations or liabilities of the Fund.

b. Pictures Financed and Financing Percentage. Pursuant to the Closing Agreement between Universal and the Fund, Universal will provide 75% of the production and print and advertising costs of each Fund Picture and the Fund will provide the remaining 25% (the percentage financed respectively by each of the Fund and Universal for each Fund Picture is referred to herein as its "Financing Percentage") (subject to the proportional increase in the event of added Equity Interests due to Oversubscriptions, as described below). The Fund will provide its 25% portion of the production cost of each Fund Picture 30 days before the initial domestic theatrical release and Universal will advance the Fund's 25% portion of

the print and advertising costs of each Fund Picture. The Fund will only be required to provide its 25% share of any shortfall in print and advertising costs that is not recouped by Universal out of film revenues, should that occur. The specific Financing Percentages of the Fund and Universal have been agreed to by the Fund and Universal and will be the same for all Fund Pictures, whether Universal Initiated Pictures (as defined below) or Management Initiated Pictures (as defined below), to ensure maintaining parity between the Fund and Universal for all Fund Pictures. Of the Fund Pictures, 100 will be developed or acquired and initiated by Universal ("Universal Initiated Pictures") and are expected to have leading talent in all aspects of film production, including actors, directors, producers, writers and crews, etc., customary for films released by major motion picture studios. (The Fund will co-finance the next 100 motion pictures produced or acquired by Universal without any exclusions.) The Fund may initiate a few additional Fund Pictures by the Managing Member ("Management Initiated Pictures") but such Management Initiated Pictures will be subject to approval by Universal and will be required to meet Universal's standards in terms of talent, quality, budgets, etc. Each of the Management Initiated Pictures will be required to provide the same Financing Percentage as for the Universal Initiated Pictures and Universal will commit to distribute such Management Initiated Pictures worldwide (without which commitments the Fund will not proceed with any Management Initiated Picture).

c. Oversubscriptions. In the event the Fund raises Equity Interests of over \$275 million ("Oversubscriptions"), the Financing Percentages of the Fund and Universal will change correspondingly on a pro-rata basis to reflect such Oversubscriptions -- i.e., Oversubscriptions of \$275 million will change the respective Financing Percentages of the Fund from 25% to 50% and of Universal from 75% to 50%. In no event will Oversubscriptions be accepted for greater than \$275 million (for a total of \$550 Million in Equity Interests), resulting in Financing Percentages for the Fund of 50% and Universal of 50%. The amount of the Credit Facility will also be increased proportionately in the event of Oversubscriptions. As Oversubscriptions will be applied to increase the Financing Percentage of the Fund on a pro-rata basis, Oversubscriptions will not result on any dilution to Purchaser's Equity Interests.

d. Distribution of Fund Pictures. Pursuant to the Closing Agreement, Universal will provide distribution for all Fund Pictures (including both Universal Initiated Pictures and Management Initiated Pictures) throughout all major worldwide territories in all principal media, including theatrical, home video/DVD, television and Internet. Universal will also handle worldwide exploitation of allied, ancillary and subsidiary rights in each Fund Picture, including video games, merchandising, music and book publishing, soundtrack albums, and commercial tie-ins. Universal will deduct a 10% distribution fee from gross receipts and then the Fund and Universal will recoup their print and advertising costs and other out-of-pocket distribution expenses and marketing costs based upon the Financing Percentages and then pay applicable talent participations (e.g., actors, producers, directors, etc.) and residuals. Remaining proceeds from each Fund Picture

(including both Universal Initiated Pictures and Management Initiated Pictures) will be then divided between the Fund and Universal based upon the Financing Percentages. In addition, each Fund Picture will be accounted for as a separate unit and no Fund Picture will be cross-collateralized with any other Fund Picture or other production. The Fund will also own a percentage of each Fund Picture through pro-rata ownership of the copyright equal to the Fund's Financing Percentage (which will be the same for all Fund Pictures). The ownership interest of the Fund in each Fund Picture will be recorded with the US Copyright Office at the time of purchase and such recordation will not be removed until the Fund's ownership interest in a Fund Picture until sold.

e. Reinvestment; Leverage. The Fund will reinvest proceeds received from Fund Pictures into additional Fund Pictures. In addition, the Fund will leverage the amounts invested by the holders of the Equity Interests through the Credit Facility. The Managing Member believes that the combination of reinvesting proceeds and the Credit Facility will enable the Fund to finance at least 100 Fund Pictures, thereby increasing the opportunity to participate in major "hit" films, reducing the negative effect of "loss" films and increasing the probability that the entire slate of Fund Pictures will achieve profitability on an overall basis.

f. Sale of Fund Interests. At the end of the Universal deal, the Fund will own a substantial library of films that will be resold to Universal on terms set forth in the Closing Agreement. Pursuant to the Closing Agreement, Universal is "required" to repurchase both the economic and ownership interests of the Fund in the Fund Pictures at certain specific time periods. The Closing Agreement also contains a negotiation procedure and a repurchase formula, negotiated by the Company, to be used by the Company, if necessary, which the Company believes will result in a fair and reasonable repurchase price ("Put Option Price"). The Managing Member is authorized, in its sole discretion, to negotiate, accept, enter into and agree to the terms pursuant to which the Fund's interests in the copyrights and proceeds of the Fund Pictures will be resold to Universal.

2. Management. The sole managing member of the Fund will be Major Studio Partners LLC ("Managing Member"). The Managing Member is overseeing and managing the entire transaction, including originating the transaction; obtaining, negotiating and executing the Term Sheet with Universal; negotiating and closing the Closing Agreement with Universal; raising the equity commitments and arranging the Credit Facility; reviewing the production budgets, distribution budgets and talent contracts of all 100 Fund Pictures; monitoring the production, promotion and distribution of the Fund Pictures; overseeing and reviewing all investments, receipt of proceeds and disbursements; ensuring service and reporting to the Credit Facility lenders and holders of the Equity Interests; ensuring and overseeing continuing audits of all the Fund Pictures; and arranging and negotiating the eventual sale of the economic and ownership interests of the Fund in the Fund Pictures to Universal. The Managing Member has already engaged independent certified public accountants for the Fund, Nigro Karlin Segal & Feldstein, LLP ("Nigro

Karlin") that specialize in and have an established practice in film finance, production and distribution accounting and audits to maintain complete books and records for the Fund Pictures, prepare periodic reports, maintain bank records and accounts, make payments and disbursements, prepare tax returns and conduct continuing audits of all the Fund Pictures and accounting statements received by the Fund from Universal. The Managing Member will not receive an organizational fee, closing fee, reimbursement of out-of-pocket organizational and closing costs or disposition fees upon the eventual sale of the Fund Pictures but will receive (i) annual management fees equal to 3% of the total equity capital commitments ("Management Fees"), (ii) executive producer fees of 1% of the production cost of each Fund Picture payable only thirty (30) days prior to the domestic theatrical release of each Fund Picture ("Executive Producer Fees"), and (iii) a profit participation of 20% of proceeds after the holders of the Equity Interests have received in the aggregate 150% of their capital commitments (collectively, "Total Management Compensation"). Out of the Total Management Compensation, the Managing Member will pay all out-of-pocket expenses incurred on behalf of the Fund, such as legal and accounting fees, the costs of annual audits of the Fund Pictures and staff and office expenses, as well as certain deferred brokerage commissions incurred in connection with the offering of Equity Interests in order to preserve capital available for early investment in the Fund Pictures. Certain non-deferred brokerage commissions will be paid out of the Fund and not out of the Management Fees ("Non-Deferred Brokerage Commissions").

3. Distributions. Holders of the Equity Interests will receive annual dividends equal to 11.5% of their capital commitments beginning 6 months after closing ("Dividends"), in order to provide earlier returns and a high yield. Apart from such Dividends, the payments to the lender(s) under the Credit Facility, the Non-Deferred Brokerage Commissions, and the Management Fees and Executive Producer Fees, distributions made by the Fund will be allocated and paid as follows, in the following order of priority:

a. First, 100% of all Fund distributions will be made to the holders of the Equity Interests until such time as they have received a cumulative aggregate amount equal to 150% of the amount of their commitments (including all cumulative Dividends received by them).

b. Second, following receipt by the holders of the Equity Interests of a cumulative aggregate amount equal to 150% of their commitments, 80% of all Fund distributions will be made to the holders of the Equity Interests and 20% of all Fund distributions will be made to the Managing Member.

4. Purchase Commitment. Purchaser hereby agrees to purchase from the Fund the Equity Interests in the Fund indicated on the Signature Page to this Commitment Letter and to pay the full amount of Purchaser's capital/purchase commitment to the Fund immediately upon demand by the Managing Member following Purchaser's execution hereof. The Fund will provide Purchaser with account details

and wire transfer instructions for Purchaser's capital/purchase commitment promptly following Purchaser's execution of this Commitment Letter. Following payment by Purchaser of the full amount of Purchaser's capital/equity commitment to the Fund, Purchaser will have no further obligation to contribute any additional sums to the Fund, whether through capital calls or otherwise.

5. Purchaser's Acknowledgements. Purchaser (a) acknowledges that that an investment in the Fund is speculative and involves a high degree of risk, and is suitable only for accredited investors meeting certain net worth tests, or "financially sophisticated" investors, in each case who can demonstrate that they, either independently or through their representatives, have such knowledge and experience in financial and business matters as will enable them to evaluate the merits and risks of a proposed investment in the Fund; (b) understands that an investment in the Equity Interests is a speculative, long-term investment that is subject to restrictions on transfer; and (c) confirms that it is able to bear the economic risk of such investment. Purchaser represents and warrants to the Fund that it satisfies these criteria. Purchaser further represents and warrants that it: (1) has conducted its own analysis and due diligence and independently, without reliance on the Fund, the Managing Member, or any placement agent or representative involved in the offer and sale of the Equity Interests, obtained such information as it deems necessary in order to make an informed investment decision with respect to the Equity Interests; (2) has consulted with Purchaser's own attorney, accountant, tax advisors and/or investment advisors with respect to the investment in the Equity Interests contemplated hereby and acknowledges that all material documents, records and books pertaining to the investment have, on request, been made available to Purchaser and Purchaser's advisors and that they have had the opportunity to ask questions, receive answers and verify information prior to investing; and (3) is conducting this transaction for its own account and is a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended. The Purchaser understands that the Equity Interests are being offered and sold in reliance on specific exemptions from the registration requirements of United States federal and state securities laws, and that the certificates or documentation representing the Equity Interests are not transferable except as set forth in the Limited Liability Company Agreement for the Fund attached hereto as Exhibit A and incorporated herein by reference ("LLC Agreement"). Purchaser agrees to execute and enter into the LLC Agreement together with the Managing Member and all other purchasers of the Equity Interests.

6. Miscellaneous.

a. Assignment. This Commitment Letter may not be assigned or transferred by either the Fund or Purchaser.

b. Entire Agreement. This Commitment Letter and the exhibits attached hereto constitutes the entire agreement among the parties pertaining to the

purchase of Equity Interests in the Fund as set forth herein, and supersedes any prior or contemporaneous understandings or documentation regarding such purchase, and neither this Commitment Letter nor any provision hereof shall be waived, modified, or terminated except by an instrument in writing signed by the party against whom any waiver, modification or termination is sought.

c. Governing Law and Venue. This Commitment Letter shall be construed in accordance with and governed by the laws of the State of New York, without regard to the conflicts of laws principles thereof. Any dispute between the parties under this Commitment Letter shall be resolved in accordance with the provisions of Sections 10.12 and 10.14 of the LLC Agreement. **TO THE EXTENT ANY SUCH DISPUTE CANNOT BE RESOLVED THROUGH NEGOTIATIONS PURSUANT TO SECTION 10.12 OF THE LLC AGREEMENT, SUCH DISPUTE SHALL BE SUBMITTED TO BINDING ARBITRATION IN ACCORDANCE WITH SECTION 10.14 OF THE LLC AGREEMENT TO BE CONDUCTED IN NEW YORK, NEW YORK, USA. THE PARTIES EXPRESSLY WAIVE ALL RIGHTS TO TRIAL BY JURY FOR ANY MATTERS ARISING UNDER THIS COMMITMENT LETTER.**

d. Counterparts. This Commitment Letter may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. A signature of a party to this Commitment Letter sent by facsimile, email, or other electronic transmission shall have the same force and effect as an original signature of such party.

(Signatures contained on following page)

Signature Page to Commitment Letter

The undersigned Purchaser hereby represents that such person has read this Commitment Letter and all exhibits attached hereto in their entirety and agrees to be bound by the terms hereof. The foregoing Commitment Letter is hereby agreed to by the undersigned as of May 1, 2013.

Purchaser Name (please print)

Purchaser Signature

Date: _____

Signature of Authorized Representative (if not an individual)
(Must be signed manually)

Legal Form of Entity (if not an individual)

Jurisdiction of Organization

Residence or Office Address:

TOTAL CAPITAL/PURCHASE COMMITMENT:

Equity Interests: \$_____

AGREED TO AND ACCEPTED:

MSP FILM FUND LLC

By: Major Studio Partners LLC

By: _____
Name: Howard Schuster
Title: CEO

EXHIBIT A

LIMITED LIABILITY COMPANY AGREEMENT OF MSP FILM FUND LLC

This LIMITED LIABILITY COMPANY AGREEMENT (“**Agreement**”) of MSP Film Fund LLC, a Delaware limited liability company (“**Company**”), is made to be effective as of May 1, 2013 (“**Effective Date**”) by and among the Company, Major Studio Partners LLC, a Delaware limited liability company (“**Manager**”), and the persons and/or entities listed from time to time in **Exhibit A** of this Agreement, as Members (the “**Members**”).

NOW, THEREFORE, in consideration of the mutual promises and agreements herein made and intending to be legally bound hereby, the parties agree as follows:

1. FORMATION AND MANAGEMENT

1.1 **Formation.** The Company was formed as a limited liability company under the provisions of the Delaware Limited Liability Company Act (6 Del. C. § 18-101 *et seq.*), as amended from time to time (“**LLC Act**”). The Certificate of Formation for the Company was filed with the Delaware Secretary of State. The term of the Company shall continue until dissolved by the Manager (as provided below). The name of the Company shall be “MSP Film Fund LLC.” The Company shall have its principal place of business at 17 Amy’s Court, ■■■, Box 2034, East Hampton, New York 11937, USA, or at such other place or places as the Manager may, in its sole discretion, from time to time, select. The address of the Company’s registered office in the State of Delaware is: 615 South DuPont Highway, Dover, Delaware 19901, USA. The name of the registered agent at the address is National Corporate Research, Ltd. The objective of the Company is to realize significant profits through co-financing a slate of 100 motion pictures with Universal Pictures, a division of NBCUniversal, Inc. (“**Universal**”), to be produced or acquired and distributed by Universal (“**Universal Initiated Pictures**”), and possibly a few additional motion pictures originated by the Company (which will be subject to the approval of Universal and will be co-financed by the Fund and Universal and distributed by Universal on the same terms as the Universal Originated Pictures) (“**Company Initiated Pictures**”) (the Universal Initiated Pictures and the Company Initiated Pictures are collectively referred to herein as the “**Fund Pictures**”), pursuant to the Co-Financing and Distribution Agreement dated as of July 14, 2012 between the Company and Universal Pictures (a copy of which is attached hereto as **Exhibit B**) (“**Definitive Agreement**”). The Company shall have the power to engage in any lawful act or activity for which limited liability companies may be organized under the LLC Act.

The Manager may not invest Company funds in any new Fund Picture after December 31, 2017 (the “**Investment Deadline**”) and the Company, within thirty (30)

days that is five years from the release date of the last Picture in each of successive calendar years, the Company will dispose of its investments periodically beginning in the first quarter of 2018 (the “**Disposition Dates**”). The Company will dissolve upon a date determined by the Manager (or the Members to the extent permitted herein), unless sooner dissolved as required by law. In addition, upon disposition of all investments made by Company in the Fund Pictures and the distribution of all proceeds therefrom to the Members and the Manager, the Company will be promptly dissolved by the Manager.

1.2 Management by Manager; Member Approval; Management Fee.

(a) Management by the Manager. Except as provided in Section 1.2(b) below, the Company shall be managed exclusively by the Manager. No Member other than Manager shall have the right or power to take part, in the control of the business of the Company, nor shall any Member other than Manager have any right or authority to act for or bind the Company. Although the Company generally will be required to indemnify the Manager as provided in Section 6 below, the Manager will not be entitled to indemnification for acts of bad faith, gross negligence or intentional fraudulent misconduct. The Manager is expressly authorized by the Members to negotiate, agree to, enter into and execute the Definitive Agreement on behalf of the Company, provided that such Definitive Agreement are consistent with (or contain more favorable economic terms to the Fund than under) the Term Sheet (as determined by the Manager in its sole discretion.)

(b) Member Approval. Notwithstanding any provision to the contrary contained herein, the following acts of the Company must be submitted by the Manager to the Members for approval and are subject to the prior written consent of any Member or group of Members holding Capital Commitments (as defined below) of more than fifty percent (50%) of the aggregate Capital Commitments held by all Members (“**Majority in Interest**”):

- (i) amendment of the Company’s Certificate of Formation;
- (ii) dissolution of the Company; and
- (iii) merger or consolidation of the Company with any other person or entity, other than with an affiliated person or entity (“**Affiliate**”).

Actions by the Members shall be taken in accordance with Exhibit C.

(c) No Reimbursement of Expenses. Except for Indemnification Expenses under this Agreement as set forth and defined in Section 6 below, the Manager will not be entitled to payment by or reimbursement from the Company for any and all out-of-pocket expenses incurred on behalf of the Company in accordance with this Agreement, including all organizational and offering fees and expenses incurred in the formation and the operation of the Company and all Operating Out-of-Pocket Expenses (as defined below).

(d) Management and Producer Fees. Solely in consideration of the management of the Company by the Manager and the costs and expenses incurred by the Manager under this Agreement, the Company shall pay to the Manager the following fees: (i) an annual base management fee (the “**Management Fee**”), from the Effective Date until the date on which the Company no longer holds interests in any Fund Pictures in an annual amount equal to three percent (3%) of the aggregate Capital Commitments (as defined below) of the Members; (ii) executive producer fees (“**Executive Producer Fees**”) equal to one percent (1%) of the production cost of each Fund Picture payable when placed into domestic theatrical distribution, and (iii) a profit participation of 20% of proceeds received by the Fund after the Members have received in the aggregate an amount equal to 150% of their Capital Commitments. The Management Fee for each year shall be paid on a semi-annual basis in advance, with the first payment being made on the First Closing (as defined below) with respect to the Capital Commitments covered thereby (which shall be prorated for any partial period) then semi-annually on the first day of each January and July thereafter. Management Fees payable with respect to the Capital Commitments of any Subsequent Members (as defined below) shall be payable as provided in Section 3.1(b) below. The Executive Producer Fee for each applicable motion picture shall be payable thirty (30) days prior to the initial theatrical release of such motion picture.

1.3 Powers. The Manager shall have the right, at its sole option, to cause the Company to borrow money from any person, or to obtain loans or other extensions of credit for any purpose on terms decided, in its sole discretion, by the Manager. Without limiting the generality of the foregoing, the Members acknowledge and understand that the Manager intends (but is under no obligation) to obtain a senior secured revolving credit facility in an amount of up to approximately \$250 million (to be increased proportionately in the event that the aggregate Capital Commitments exceed \$275 Million) on customary motion picture industry on customary motion picture industry terms for slate financing transactions, as determined by the Manager in its sole discretion (“Credit Facility”), and the Members hereby expressly authorize the Manager to negotiate, accept, enter into and execute the Credit Facility. The Manager shall have the right to purchase and sell any Fund Picture or portion thereof (upon terms and conditions acceptable to the Manager in its sole discretion), to borrow money (upon terms and conditions acceptable to the Manager in its sole discretion), to grant a security interest in, pledge and otherwise encumber any Fund Picture or portion thereof and to admit new Members. Third parties dealing with the Company are entitled to rely conclusively upon the authority of the Manager as set forth in this Agreement. Manager is hereby also designated as the “Tax Matters Partner” under Section 6231(a)(7) of the Internal Revenue Code (the “**Code**”), to manage administrative tax proceedings conducted at the Company level by the Internal Revenue Service with respect to Company matters. Subject to the provisions of this Agreement, the Company, and the Manager, acting on behalf of the Company, shall be empowered to do or cause to be done, or not to do, any and all acts deemed by the Manager in its sole discretion to be necessary or appropriate in furtherance of the purposes of the Company.

1.4 Allocations and Distributions.

(a) Loss. After making the allocations required in **Exhibit D**, Loss (as defined in **Exhibit D**) shall be allocable to the Members in the following order of priority:

(i) First, to the Members and the Manager in proportion to and up to the amount of Income previously allocated to the Members and the Manager under Section 1.4(b), to the extent not previously offset by allocations under this Section 1.4(a)(i) or Section 1.4(a)(ii) below.

(ii) Second, to the Members in proportion to their respective percentage interests of the total of all Capital Commitments, as set forth on **Exhibit A** (“**Percentage Interests**”), up to the amount of their then Invested Capital (as defined below).

(iii) Third, any remaining Loss not allocated pursuant to Sections 1.4(a)(i) and (ii) above for any period shall be carried forward and allocated as provided in Sections 1.4(a)(i) and (ii) in each subsequent period.

(b) Income. After making the allocations required in **Exhibit D**, Income (as defined in **Exhibit D**) shall be allocable to the Members in the following order of priority:

(i) First, to the Members in accordance with their Percentage Interests, to the extent of their then Invested Capital, up to the amount of Loss previously allocated to them under Sections 1.4(a)(i) and (ii) above.

(ii) Second, to the Members and the Manager in accordance with Section 1.4 (d).

(c) Operating Rules for Tax Allocations. Each of the foregoing allocations shall be applied to each period for which the Company is required to make allocations.

(d) Distributions. Except for the expenses and payments described in this Agreement and as otherwise required by Sections 1.4(e) and 7.2 below, distributions shall be made in the following order of priority:

(i) First, one hundred percent (100%) of all distributions shall be made to the holders of the Equity Interests who have not defaulted on their Capital Commitments in accordance with their Percentage Interests until such time as such holders of the Equity Interests have received a cumulative aggregate amount (including without limitation all distributions made to such holders the Equity Interests under Section 1.4(e) below) equal to one hundred fifty percent (150%) of all unreturned

Capital Commitment capital contributions actually made by them to the Company (“**Invested Capital**”).

(ii) Second, after the holders of the Equity Interests have received all distributions required under Section 1.4(d)(i) above, one hundred percent (100%) of all distributions shall be made as follows: eighty percent (80%) to the holders of the Equity Interests who have not defaulted on their Capital Commitments in accordance with their Percentage Interests, and twenty percent (20%) to the Manager.

(e) Dividends. Company shall pay annual dividends to the Members in an amount equal to 11.5% of their Capital Commitments for four years beginning first quarter 2013 and thereafter from proceeds available from the annual sale of ownership and economic interests in the Fund Pictures beginning in the last quarter 2017.

(f) Operating Rules for Distributions. All decisions with respect to distributions shall be made by the Manager. The Manager may reinvest proceeds received by the Company from the Fund Pictures into additional Fund Pictures instead of distributing such proceeds pursuant to Section 1.4(d).

1.5 Liability of Manager. Neither the Manager nor any of its Affiliates, nor any officer, director, stockholder, member, partner, employee, agent or assign of the Manager or any of its Affiliates (collectively, the “**Manager Related Persons**”), shall be liable, responsible or accountable, whether directly or indirectly, in contract or tort or otherwise, to the Company, any other person in which the Company has an interest or any Member (or any Affiliate thereof) for any losses or damages asserted against, suffered or incurred by any person or entity arising out of, relating to or in connection with any act or failure to act pursuant to this Agreement or otherwise with respect to the management or conduct of the business and affairs of the Company, any Fund Picture or investment therein, any other person in which the Company has a direct or indirect interest or any of their respective Affiliates or the offer and sale of interests in the Company; provided, that such action or failure to act did not constitute bad faith, gross negligence or intentional fraudulent misconduct.

1.6 No Liability of Members or Representatives. No Member or any representative of any Member shall have any liability whatsoever to the Manager or any Member resulting from the exercise of approval rights pursuant to Section 1.2(b). Each of these parties shall have the unqualified right to act in its or his own self-interest without regard to, and without considering the interests of, the other Members. In no event shall any of these parties have any fiduciary or other duties to the Members by virtue of Section 1.2(b), and each Member hereby waives, and covenants not to sue on the basis of, any law (statutory, common law or otherwise) that is inconsistent with this Section 1.6. Nothing in this Section 1.6 detracts from the liability of the Manager under Section 1.5, if any. In no event shall any Member have any liability for any debts, obligations or liabilities of Company, including without limitation any obligations or liability under the Credit Facility.

1.7 Placement Agent; Fees and Liability.

(a) Fees. Certain placement agents engaged by the Company (each, a “**Placement Agent**”) will be paid a placement fee equal to three percent (3%) of each Capital Commitment paid to the Company by the Members introduced, directly or indirectly, by the Placement Agent. In addition, the Placement Agent will receive a percentage of the aggregate Management Fees, Executive Producer Fees and other management compensation actually received by the Manager in connection with the management of the Company and will be reimbursed for expenses that were pre-approved by the Manager. In addition to the compensation payable to the Placement Agents as described above, additional fees and commissions may be payable by Company to other third parties in connection with Company’s obtaining of the Capital Commitments.

(b) Neither the Placement Agent nor any of its Affiliates, nor any officer, director, controlling person or entity, stockholder, member, partner, employee, agent or assign of the Placement Agent or is Affiliates (collectively, the “**Placement Agent Related Persons**”), shall be liable, responsible or accountable, whether directly or indirectly, in contract or tort or otherwise, to the Company, the Manager, any other person in which the Company has an interest or any Member (or any Affiliate thereof) for any losses or damages asserted against, suffered or incurred by any person or entity arising out of, relating to or in connection with any matters contemplated by this Agreement, the Engagement Letter or any other engagement letter, placement agency agreement or other agreement between the Placement Agent, Company and/or the Manager or any other agreements or acts conducted by the Placement Agent or the offer and sale of interests in the Company; provided, that such losses or damages were not incurred as a direct result of the Placement Agent’s gross negligence or intentional fraudulent misconduct. Notwithstanding anything to the contrary herein and to the extent permitted by applicable law, in no event shall the Placement Agent or Placement Agent Related Person be required to pay an aggregate amount in excess of the aggregate fees actually paid to Placement Agent under this Agreement for any and all losses, claims, damages and liabilities, joint or several, to which such Placement Agent or Placement Agent Related Persons become subject to arising out of, relating to or in connection with this Agreement or its services as a Placement Agent to the Company or Manager.

2. MEMBERS

2.1 Members. The Company shall consist of the Members listed from time to time in Exhibit A hereto, and such additional and substituted Members as may be admitted to the Company. All Members shall be treated equally in accordance with their Percentage Interests. The Members acknowledge that their Percentage Interests may be diluted by Capital Commitments made by Subsequent Members; provided, however, that Company will not accept aggregate Capital Commitments from all Members and Subsequent Members in excess of \$550 million.

2.2 Limited Liability of Members. The liability of each Member is limited to its obligation to make capital contributions to the Company in amounts provided by this Agreement and in no event will any Member be required to make contributions to Company in excess of its Capital Commitment or as otherwise specifically required by this Agreement. In no event will any Member be liable for any debts, obligations or liabilities of Company, including without limitation any obligations or liability under the Credit Facility.

3. CAPITAL CONTRIBUTIONS

3.1 Capital Contributions.

(a) Each Member, upon admission to the Company, shall be deemed to have made a capital commitment equal to the amount specified as such on **Exhibit A** (each, a “**Capital Commitment**” and, collectively, the “**Capital Commitments**”). The Capital Commitment of a Member shall represent the maximum aggregate amount of cash that such Member shall be required to contribute to the capital of the Company. The entire Capital Commitment of each Member shall be payable to the Company in full in cash upon execution of this Agreement. The Manager shall withdraw the Management Fee from Company funds on a semi-annual basis in advance as provided in Sections 1.2(d) and 3.1(b). Capital contributions for fees and commissions payable to the Placement Agents and/or any other third parties entitled to payment of fees or commissions in connection with Company’s obtaining of the Capital Commitments will be included in the Capital Commitments. No such fees or commissions shall reduce the Percentage Interests of the Members. There shall be no limitation as to the amount of the Company’s funds that may be used by the Manager in any given year, provided that such funds are used for the financing of Fund Pictures, the servicing of the Credit Facility, and/or the payment of Management Fees and Executive Producer Fees, all as provided herein. In addition, it is understood and agreed that, in the sole discretion of the Manager, the Company may proceed with investments in the Fund Pictures immediately following the First Closing (as defined below) without regard to the receipt of any minimum amount of Capital Commitments at such First Closing.

(b) The Manager may, from time to time, after the Effective Date or after the first closing at which the Company first accepts capital contributions (the “**First Closing**”), admit one (1) or more additional Member (an “**Additional Member**”) or permit any Member to increase its Capital Commitment (an “**Increasing Member**”) and together with the Additional Members, the “**Subsequent Members**”); provided, however, that Company will not accept aggregate Capital Commitments from all Members and Subsequent Members in excess of \$550 Million. Upon the admission of any Subsequent Member after the first \$275 Million is raised, the Manager will have arranged with Universal that the financing percentage of the Company in each Fund Picture will be increased proportionately and the Participation Percentage of Universal in each Fund Picture will be decreased proportionately to correspond to the added Capital

Commitments of the Subsequent Member so that there will be no dilution in the participation of each Member's economic and ownership interests in the Fund Pictures. Upon the admission to the Company of each Additional Member or the making of an increased Capital Commitment by an Increasing Member, the Company shall pay to the Manager all Management Fees and Executive Producer Fees to which the Manager would have been entitled if such Additional Member or Increasing Member had participated fully in the First Closing. The Company will pay any fees payable to the Placement Agents or other third party entitled to fees or commissions in connection therewith as a result of the Capital Commitments of an Additional Member or the additional Capital Commitment of an Increasing Member upon such Additional Member's or Increasing Member's first capital contribution to the Company.

3.2 Defaulting Member. The failure by any Member to make any portion of the capital contribution required to be contributed by such Member pursuant to this Agreement shall constitute an event of default by such Member. A defaulting Member shall be charged interest at a fixed rate of eighteen percent (18%) per annum and shall forfeit all distributions that such defaulting Member would otherwise receive. Notwithstanding any other provision of this Agreement, each Member agrees to pay on demand all costs and expenses (including attorney's fees) incurred by or on behalf of the Company in connection with the enforcement of this Agreement against such Member sustained as a result of such defaulting Member and that any such payment shall not constitute a capital contribution to the Company.

4. CAPITAL ACCOUNTS

4.1 Capital Account. A capital account (a "**Capital Account**") shall be established and maintained for each Member. The Capital Accounts of the Members shall be adjusted and maintained in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv) and **Exhibit D**. The net income (and items thereof) and net loss (and items thereof) for any fiscal year shall be allocated among the Members in a manner such that the Capital Account of each Member, immediately after giving effect to such allocation, is, as nearly as possible, equal (proportionately) to the amount equal to the distributions that would be made to such Member during such fiscal year pursuant to Section 1.4 of this Agreement. The Manager may, in its sole discretion, make such assumptions as it deems reasonably necessary or appropriate in order to effectuate the intended economic arrangement of the Members. No Member shall have the right to withdraw capital or demand or receive distributions or other returns of any amount in its Capital Account, except as expressly provided herein.

5. TRANSFER OF MEMBERSHIP INTERESTS; SUBSTITUTE MEMBERS

5.1 Restrictions on Transfer. No Member shall have the right or power to withdraw, resign or retire from the Company prior to the expiration of the term of the Company and, except upon the occurrence of a Disabling Event as set forth in Section 5.2, no Member may directly or indirectly (through an issuance or transfer of equity or otherwise) sell, transfer, assign, hypothecate, pledge or otherwise dispose of or

encumber all or any part of such Member's interest in the Company (including, without limitation, any right to receive distributions or allocations in respect of such interests and whether voluntarily, involuntarily or by operation of law) without the prior written consent of the Manager.

5.2 Disabling Event. The occurrence of death, incapacity, bankruptcy or adjudication of incompetency (a "**Disabling Event**") in respect of a Member shall not dissolve the Company, and the Company shall continue in a reconstituted form, if necessary, without any action on the part of the remaining Members. The trustee, executor, administrator, committee or guardian of the Member or of the Members estate, as the case may be, shall have all the rights of the Member for the purpose of settling or managing the estate, provided that any such trustee, executor, administrator, committee or guardian shall become a substitute Member only upon compliance with the provisions of this Section 5.2. No assignee of all or any part of a membership interest of a Member in the Company upon the occurrence of a Disabling Event shall be admitted to the Company as a substitute Member unless and until the Manager has consented to such substitution in its sole discretion. The Manager may require any assignee to execute and acknowledge an instrument of transfer in form and substance satisfactory to the Manager, and may require the transferee to make certain representations and warranties to the Company, Placement Agent and Members and to accept, adopt and approve in writing all of the terms and provisions of this Agreement. Unless and until an assignee of a membership interest upon the occurrence of a Disabling Event becomes a substitute Member, such assignee shall not be entitled to exercise any vote, consent or any other right or entitlement with respect to such membership interest. In the event of the admission of an assignee as a substitute Member, all references herein to the assigning Member shall be deemed to apply to such substitute Member, and such substitute Member shall succeed to all rights, liabilities and obligations of the assigning Member hereunder. A person or entity shall be deemed admitted to the Company as a substitute Member at the time that the Manager consents. The Manager shall revise **Exhibit A** attached hereto to reflect such admission.

6. INDEMNIFICATION OF MANAGER

The Company shall, to the maximum extent permitted by applicable law, indemnify and hold harmless the Manager, Placement Agent, all Manager Related Persons, all Placement Agent Related Persons and each of their respective principals, members, managers, directors, officers, employees, attorneys, controlling persons and Affiliates from and against any and all losses or damages, including, without limitation, losses or damages incurred in investigating, preparing or defending any action or claim, which, in the judgment of the Manager or Placement Agent, arise out of, relate to or are in connection with this Agreement or the management or conduct of the business or affairs of the Manager, the Company, any Fund Picture or investment therein (including, without limitation, any losses or damages incurred by the Manager in connection with any indebtedness of the Company), except for any such losses or damages that are finally found by a court of competent jurisdiction to have resulted primarily from the bad faith, gross negligence or intentional fraudulent misconduct of, the person seeking indemnification (collectively, "**Indemnification Expenses**").

The indemnification obligation set forth above is in addition to and does not supersede, replace or amend any indemnification obligation of the Company or the Manager to the Placement Agent or Placement Agent's Affiliates, and their respective directors, officers, employees, agents and controlling persons in any other agreement, including, but not limited to, the Engagement Letter. For purposes of this Agreement, "Indemnification Expenses" includes all indemnification obligations of the Company to the Placement Agent.

7. DURATION AND TERMINATION OF THE COMPANY

7.1 Event of Termination. The existence of the Company commenced on the date of the filing of a Certificate of Formation pursuant to the LLC Act and shall continue until the first to occur of the following events:

- (i) the expiration of the term of the Company as provided in Section 1.1;
- (ii) the Members approve dissolution of the Company in accordance with Section 1.2(b); or
- (iii) as otherwise set forth in the LLC Act.

7.2 Winding-Up. The Company will sell its assets and shall apply and distribute the proceeds of such sale or liquidation as promptly as possible following conclusion of the Company's business in the following order of priority, unless otherwise required by mandatory provisions of applicable law:

- (i) first, to pay (or to reserve) in satisfaction of all obligations of the Company for all expenses of such liquidation and to pay creditors of the Company; and
- (ii) second, as provided in Section 1.4(d) above.

8. ABILITY TO ENGAGE IN OTHER ACTIVITIES

8.1 Other Activities. Each Member expressly agrees that the Manager and any of the Manager Related Persons may engage independently or with others, for its or their own accounts and for the accounts of others, in other business ventures and activities. Neither the Company nor any Member shall have any rights or obligations solely by virtue of this Agreement in and to such independent ventures and activities or the income or profits derived therefrom.

8.2 Conflicts of Interest. While the Manager intends to avoid situations involving direct conflicts of interest, each Member acknowledges that there may be situations in which the interests of the Company, in a Fund Picture or otherwise, may conflict with the interests of the Manager or the Manager Related Persons. Each Member agrees that any activities of the Manager and the Manager Related Persons will not, in any case or in the aggregate, be deemed a breach of this Agreement or any duty owed by

any such Manager or Manager Related Persons to the Company or to any Member. The Manager will, and will cause the Manager Related Persons to, use its or their, as applicable, good faith efforts to ensure that such other investments or business ventures are not inconsistent with the achievement by the Company of its objectives.

8.3 Other Funds. The Manager and Manager Related Persons may create other funds with similar investment objectives to the Company (“**Other Similar Funds**”) and which may or may not compete with the Fund Pictures and the objectives of the Company; provided, however, that (i) Manager will provide owners of the Equity Interests with the first opportunity to participate in each such Other Similar Fund, and (ii) any such Other Similar Fund or other transaction entered into by the Manager or Manger Related Persons with Universal shall not dilute or impair the economic and ownership interests of Company and the holders of the Equity Interests in the Fund Pictures.

8.4 Waiver. The Members hereby waive, and covenant not to sue on the basis of, any law (statutory, common law or otherwise) respecting the rights and obligations of the Members that may be inconsistent with this Section 8.

9. AMENDMENTS

9.1 Amendments Requiring Consents. Except as otherwise provided in Section 9.2 below, this Agreement may be modified or amended only with the written consent of the Manager and a Majority in Interest; provided, however, that any amendment which would:

- (i) increase the obligation of any Member to make any contribution to the capital of the Company,
- (ii) reduce the Capital Account of any Member other than in accordance with Section 3.2 or 4.1,
- (iii) alter any Member’s rights with respect to allocations of profit or loss or with respect to distributions and withdrawals, or
- (iv) disproportionately affect the rights of any Member under this Agreement,

may be made only with the prior written consent of each Member adversely affected thereby and without the written consent of the other Members.

9.2 Amendments by Manager. Notwithstanding the provisions of Section 9.1 above, the Manager shall have the authority to amend or modify this Agreement without any vote or other action by the other Members, to (i) satisfy any requirements, of any governmental authority, or as otherwise required by applicable law to reflect the admission of substitute, successor Members and transfers of membership interests pursuant to this Agreement; (ii) to qualify or continue the Company as a limited liability company (or a company in which the Members have limited liability) in all jurisdictions in which the Company conducts or plans to conduct business; (iii) to change the name of

the Company; (iv) to cure any ambiguity or correct or supplement any provisions herein contained which may be incomplete or inconsistent with any other provision herein contained; or (v) to reflect the addition of any Subsequent Member (including changes to Exhibit A to reflect the new Capital Commitments of Subsequent Members and any corresponding changes to the Percentage Interests of the Members (subject to the other terms and conditions hereof); provided, however, the Manager shall promptly notify the Members in writing of any amendment pursuant to this Section 9.2.

10. MISCELLANEOUS

10.1 Expenses.

(a) Except for Indemnification Expenses under Section 6 above, any amounts payable by any defaulting Member pursuant to Section 3.2 above and any other fees and expenses specifically identified herein to be payable out of the capital contributions of the Members, the Manager will be solely responsible for, and will pay, out of the Management Fee and Executive Producer Fees, all out-of-pocket operating expenses of the Company including, without limitation, the following (collectively, “**Operating Out-of-Pocket Expenses**”):

(i) all costs and expenses of the Company relating to the organization of the Company and the offer and sale of membership interests;

(ii) all travel-related expenses incurred in connection with the investigation and due diligence of possible Fund Pictures and all expenses incurred in connection with Company operations, including, without limitation, all expenses incurred with the purchase, holding, sale or proposed sale of any Company investments including, without limitation, all third party out-of-pocket costs and expenses of legal counsel, independent accountants, and others, unless such costs or expenses are paid for by the seller of any proposed Fund Picture;

(iii) all costs, fees and expenses incurred in connection with the preparation of or relating to reports made to the Members;

(iv) all costs, fees and expenses related to litigation involving the Company, directly or indirectly, including, without limitation, attorneys’ fees incurred in connection therewith, other than the Indemnification Expenses and the expenses set forth in Section 3.2 above;

(v) the costs of any litigation, ████████ liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Company other than the Indemnification Expenses and the expenses set forth in Section 3.2 above;

(vi) all unreimbursed out-of-pocket expenses relating to transactions that are not consummated including legal, accounting and

consulting fees and all extraordinary professional fees incurred in connection with the business or management of the Company;

(vii) all expenses of liquidating the Company; and

(viii) any taxes, fees or other governmental charges levied against the Company and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Company.

(b) The Manager shall also be responsible for its own normal day-to-day operating expenses, including, without limitation, compensation of its staff and the cost of office space, office equipment, communications, utilities and such other normal overhead expenses, and all of its travel-related expenses. In addition, the Manager will be responsible for expenses incurred in connection with the research and analysis of potential Fund Pictures and divestments and the management of the Company's investment portfolio.

10.2 Successors and Assigns. Except as otherwise specifically provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their legal representatives, heirs, administrators, executors, successors and assigns.

10.3 Entity Classification. It is the intention of the Members that the Company be treated as a partnership for income tax purposes. The Tax Matters Partner is authorized to make a protective election to be treated as a partnership for federal income tax purposes on IRS Form 8832, Entity Classification Election, in the manner described under Section 301.7701-3(c) of the Treasury Regulations. By executing this Agreement, each of the Members hereby consents to any election made by the Tax Matters Partner for the Company to be treated as a partnership for federal income tax purposes. The Company shall maintain books and records in such manner as is utilized in preparing the Company's United States federal information tax return in compliance with Section 6031 of the Code.

10.4 Waiver of Default. No consent or waiver, express or implied, by the Company or a Member with respect to any breach or default by the Manager or another Member hereunder shall be deemed or construed to be a consent or waiver with respect to any other breach or default by such Manager or Member of the same provision or any other provision of this Agreement. Failure on the part of the Company or a Member to complain of any act or failure to act of the Manager or another Member or to declare such Manager or other Member in default shall not be deemed or constitute a waiver by the Company or the Member of any rights hereunder.

10.5 Entire Agreement. This Agreement (together with the Certificate of Formation, the Commitment Letters executed by the Members in favor of Company in connection with the Capital Commitments (collectively, "**Commitment Letters**") and any other agreements referenced herein) contains the entire agreement between the Members, the Company and the Manager relative to the formation, operation and continuation of the Company and supersedes and replaces all prior or contemporaneous

agreements and understandings between the Company, the Manager and each manager with respect to the subject matter hereof, including without limitation all Commitment Letters executed by the Members. In the event of any conflict or inconsistency between the terms of this Agreement and the terms of any Commitment Letter or other agreement referenced herein, the terms of this Agreement shall prevail.

10.6 Severability. In the event any provision of this Agreement is held to be illegal, invalid or unenforceable to any extent, the legality, validity and enforceability of the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect and shall be enforced to the greatest extent permitted by law.

10.7 Binding Agreement. The provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

10.8 Headings. The headings of the articles and sections of this Agreement are for convenience only and shall not be considered in construing or interpreting any of the terms or provisions hereof.

10.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one agreement that is binding upon all of the parties hereto, notwithstanding that all parties are not signatories to the same counterpart. This Agreement may be delivered by facsimile transmission. This Agreement shall be considered to have been executed by a person if there exists a photocopy, facsimile copy, or a photocopy of a facsimile copy of an original hereof or of a counterpart hereof which has been signed by such person. Any photocopy, facsimile copy, or photocopy of facsimile copy of this Agreement or a counterpart hereof shall be admissible into evidence in any proceeding as though the same were an original.

10.10 Representations.

(a) Each Member hereby represents to the Company, the Placement Agent and each other Member that: (i) if an entity, the Member is duly organized, validly existing and in good standing under the laws of its state of formation; (ii) the execution, delivery and performance of this Agreement has been duly authorized by all necessary and appropriate action; (iii) this Agreement constitutes a valid and binding obligation of the Member, enforceable against it in accordance with the terms hereof; (iv) the Equity Interests are being acquired by the Member (A) solely for investment for the Member's own account and not as nominee or agent or otherwise on behalf of any other person, and (B) not with a view to or with any present intention to reoffer, resell, fractionalize, assign, grant any participation interest in, or otherwise distribute the Interest; (v) such Member has been given access to, and prior to the execution of this Agreement, such Member was provided with an opportunity to ask questions of, and receive answers from, the Manager or any of its principals concerning the terms and conditions of the offering of the Equity Interests, and to obtain any other

information which such Member and its investment representative and professional advisors requested with respect to the Company and such Member's investment in the Company in order to evaluate such Member's investment and verify the accuracy of all information furnished to such Member regarding the Company, and all such questions, if asked, were answered satisfactorily and all information or document provided were found to be satisfactory by such Member; (vi) such Member is knowledgeable and experienced with respect to the financial, tax and business aspects of owning the Equity Interests and of the business contemplated by the Company and is capable of evaluating the risks and merits of purchasing the Equity Interests and, in making a decision to proceed with this investment; (vii) such Member can bear the economic risk of an investment in the Company for an indefinite period of time, and can afford to suffer the complete loss thereof; (viii) such Member is an "Accredited Investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"); (ix) such Member has evaluated the risks involved in investing in the Company and has determined that the Equity Interests being purchased by such Member are a suitable investment for such Member and are consistent with such Member's overall investment program and financial position; (x) such Member understands and acknowledges that the Equity Interests have not been registered under the Securities Act or any state securities laws and are being offered and sold in reliance upon exemptions provided in the Securities Act and state securities laws for transactions not involving any public offering and, therefore, cannot be resold or transferred unless they are subsequently registered under the Securities Act and such applicable state securities laws or unless an exemption from such registration is available, the Company does not have any obligation or intention to register the Equity Interests for sale under the Securities Act, any state securities laws or of supplying the information which may be necessary to enable such Member to sell such Equity Interests; and (xi) such Member is aware that (A) the Company has no operating history (B) the Equity Interests involve a substantial degree of risk of loss and that there is no assurance of any income from or return of such Member's investment; (C) any federal and/or state income tax benefits which may be available to such Member may be lost through the adoption of new laws or regulations, changes to existing laws and regulations, and/or changes in the interpretation of existing laws and regulations; and (D) there are significant adverse consequences for failing to make Capital Contributions when required pursuant to this Agreement.

(b) Each Member agrees to indemnify and hold harmless the Company, the Placement Agent and each of the other Members from and against any and all damage, loss, liability, cost and expense (including reasonable attorneys' fees) which any of them may incur as a result of the failure of any representation by the indemnifying Member to be accurate.

10.11 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, USA, without regard to the conflicts of laws principles thereof.

10.12 Dispute Resolution. To the extent feasible, the parties desire to resolve any controversies or claims arising out of or relating to this Agreement through discussions and negotiations between each other. All parties agree to attempt to resolve any disputes, controversies or claims arising out of or relating to this Agreement by face-to-face negotiation with the other party. In the event that, after good faith discussions, such controversies or claims cannot be resolved solely between the parties, then the parties agree to binding arbitration, as set forth herein.

10.13 Reports to Members. Within ninety (90) days after the end of each taxable year, the Manager shall provide to each Member the following reports: (a) audited financial statements of the Company, including a balance sheet as of the end of such year and related statements of operation; (b) a narrative report of the investment activities of the Company during the period covered by (a); and (c) certain information with respect to the Company to be used in the Member's United States federal and state income tax returns for such period. In addition, not later than thirty (30) business days after the end of each calendar quarter, the Manager shall prepare and deliver to each Member the financial statements of the Company, prepared on a cash basis, including a cash flow statement showing the results of operations during such calendar quarter, a balance sheet as of the end of such calendar quarter, and a statement of cash receipts and disbursements comparing actual operations to the operating budget for such calendar quarter. In addition, the Manager will provide to each Member, as received by Company, copies of monthly and quarterly distribution reports for each Fund Picture provided by Universal and copies of all reports from audits of Universal performed by independent CPA firms with respect to the Fund Pictures.

10.14 Arbitration. If the parties are not successful in resolving the dispute through the negotiation within ninety (90) days after the initiation of such negotiations pursuant to Section 10.12 above, any controversy or claim arising out of or relating to this Agreement (other than for injunctive relief), or the negotiation or breach thereof, shall be subject to arbitration in accordance with the Arbitration Rules of the American Arbitration Association, including, but not limited to, the Optional Rules for the Emergency Measures of Protection, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The arbitrators shall decide legal issues pertaining to the dispute, controversy or claim pursuant to the laws of the State of New York, USA. The prevailing party in any such arbitration shall be entitled to collect from the non-prevailing party its reasonable attorneys' fees and costs. The provisions of this Section 10.14 shall not be deemed to preclude any party hereto from seeking preliminary injunctive or other equitable relief to protect or enforce its rights hereunder, or to prohibit any court from making preliminary findings of fact in connection with granting or denying such preliminary injunctive relief pending arbitration, or to preclude any party hereto from seeking permanent injunctive or other equitable relief after and in accordance with the decision of the arbitrators. The arbitration shall take place in New York, New York, USA.

10.15 Confidentiality. All non-public information regarding the Company and the Members shall be treated with confidentiality by the Company, the Manager and the Members, and shall not be disclosed by the Company or the Members to third parties

(other than as necessary in the ordinary course of and to further the business of the Company or in response to a legal or regulatory proceeding); provided, however, the Company, the Manager and the Members may disclose such information to their respective attorneys, accountants and other professional advisors who have a need for such information provided that such persons are informed of the confidential nature of the information and are directed to maintain the confidentiality thereof.

10.16 Non-Circumvention. Each Member agrees not to circumvent the Manager with respect to the current transaction, or to consummate any subsequent slate film financing transaction with Universal, except through the auspices of, and with the active involvement and participation of, the Manager.

10.17 Notices. All notices and communications by the Manager to the Members shall be made to the contact person and at the address, fax number, or email address set forth on **Exhibit A** or to such other persons and addresses as may be designated in writing by any Member. All notices, statements, and other documents required to be given hereunder shall be given in writing either by personal delivery, courier, US mail, or fax. Notices given by US mail or by fax shall be deemed given on the date of mailing thereof or of the sending of such fax. All other notices shall be deemed given upon receipt.

[Signatures contained on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts as of the Effective Date, and each of such counterparts, when taken together, shall constitute one and the same instrument.

THE COMPANY:

MSP FILM FUND LLC

By: MAJOR STUDIO PARTNERS LLC

By: _____
Name: Howard Schuster
Title: CEO

THE MEMBER:

[_____]

By: _____
Name: _____
Title: _____

MANAGER:

MAJOR STUDIO PARTNERS LLC

By: _____
Name: Howard Schuster
Title: CEO

Limited Liability Company Agreement of MSP Film Fund LLC

Additional Member Execution Page

MEMBER

NAME OF MEMBER: _____

ADDRESS: _____

TELEPHONE NO: _____

FAX NO: _____

SIGNATURE OF THE MEMBER

BY: _____

Name: _____

Title: _____

THE MEMBERSHIP INTERESTS OF THE COMPANY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS OR THE LAWS OF ANY OTHER NATION OR JURISDICTION AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED UNLESS THE SAME HAVE BEEN INCLUDED IN AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY HAS BEEN RENDERED TO THE COMPANY THAT AN EXEMPTION FROM REGISTRATION UNDER APPLICABLE SECURITIES LAWS IS AVAILABLE. IN ADDITION, TRANSFER OR OTHER DISPOSITION OF THE MEMBERSHIP INTERESTS IS RESTRICTED AS PROVIDED IN THE LIMITED LIABILITY COMPANY AGREEMENT.

EXHIBITS TO LLC OPERATING AGREEMENT

EXHIBIT A - MEMBERS AND CAPITAL COMMITMENTS

EXHIBIT B - UNIVERSAL PICTURES DEFINITIVE AGREEMENT

EXHIBIT C - MEMBER ACTIONS

EXHIBIT D - CAPITAL ACCOUNTS AND TAX ALLOCATIONS

EXHIBIT A

MEMBERS AND CAPITAL COMMITMENTS

Equity Interests:	Capital Commitment*	Percentage Interest
Name:	\$ _____	
Address:		
Contact Person:		
Phone:		
Fax:		
Email:		
Name:	\$ _____	
Address:		
Contact Person:		
Phone:		
Fax:		
Email:		
Total:	\$ _____	100%

EXHIBIT B

UNIVERSAL PICTURES DEFINITIVE AGREEMENT

(Copy Sent Separately)

EXHIBIT C

MEMBER ACTIONS

Voting Rights. All action required or permitted to be taken by the Members pursuant to this Agreement shall be duly taken if approved by the Members in accordance with this **Exhibit C**.

Members Meetings.

Meetings. Meetings of the Members may be called at any time upon request of the Manager or a Majority in Interest.

Quorum. Members holding a Majority in Interest shall constitute a quorum for meetings of the Members. A quorum must be present at the beginning of and throughout each meeting.

Place of Meetings. Meetings of the Members shall take place at the Company's principal place of business unless an alternate location is selected by the Manager.

Notice. Whenever Members are required or permitted to take action at a meeting, the Manager shall give written or printed notice stating the place, date, time, and the purpose or purposes of such meeting, to each Member entitled to vote at such meeting not less than 10 nor more than 30 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at such Member's address as it appears on the records of the Company.

Action Without a Meeting. Any action required or permitted to be taken by the Members may be taken without a meeting, without notice and without a vote if a consent in writing, describing the action taken, is signed by the Members owning not less than a Majority in Interest. Such action shall be included in the minutes of the Members' meetings and notice thereof shall be promptly provided to all Members.

Meetings by Telephone. Meetings of the Members may be held by telephone conference or by any other means of communication by which all participants can hear each other simultaneously during the meeting, and such participation shall constitute presence in person at the meeting.

Proxies. At any meeting of the Members, every Member having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing signed by such Member and bearing a date not more than one year prior to such meeting.

A Member that is an entity may vote only through an individual that is an officer, director, manager, member, partner, trustee or similar capacity with such Member.

Minutes of Meetings. A designee of the Members shall keep written minutes of any meeting of Members, including the results of any votes taken.

Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the Member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice. Attendance at a meeting shall constitute waiver of notice of the meeting unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

Majority in Interest. For purposes hereof, the term “**Majority in Interest**” means any Member or group of Members holding an aggregate of more than fifty percent (50%) of the ownership interests (as determined by their relative Capital Commitments) held by all Members.

EXHIBIT D

CAPITAL ACCOUNTS AND TAX ALLOCATIONS

1. As used in this Schedule and the Agreement, the following terms shall have the following meanings, unless the context otherwise specifies:

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments: (i) increased for any amounts such Member is unconditionally obligated to restore and the amount of such Member’s share of Company Minimum Gain and Member Minimum Gain after taking into account any changes during such year; and (ii) reduced by the items described in Treasury Regulation §§ 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“Company Minimum Gain” shall have the same meaning as partnership minimum gain set forth in Treasury Regulation § 1.704-2(d). Company Minimum Gain shall be determined, first, by computing for each Nonrecourse Liability any gain which the Company would realize if the Company disposed of the property subject to that liability for no consideration other than full satisfaction of such liability and, then, aggregating the separately computed gains. For purposes of computing gain, the Company shall use the basis of such property that is used for purposes of maintaining Capital Accounts under Section 2 hereof. In any taxable year in which a Revaluation occurs, the net increase or decrease in Company Minimum Gain for such taxable year shall be determined by: (1) calculating the net decrease or increase in Company Minimum Gain using the current year’s book value and the prior year’s amount of Company Minimum Gain, and (2) adding back any decrease in Company Minimum Gain arising solely from the Revaluation.

“Credits” means all investment and other tax credits allowed by the Code with respect to activities of the Company or the Property.

“Income” and “Loss” mean, respectively, for each fiscal year or other period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a), except that for this purpose (i) all items of income, gain, deduction or loss required to be separately stated by Code Section 703(a)(1) shall be included in taxable income or loss; (ii) tax exempt income shall be added to taxable income or loss; (iii) any expenditures described in Code Section 705(a)(2)(B) (or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulation § 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing taxable income or loss shall be subtracted; and (iv) taxable income or loss shall be adjusted to reflect any item of income or loss specifically allocated in Article IV.

“Member Minimum Gain” shall have the same meaning as partner nonrecourse debt minimum gain as set forth in Treasury Regulation § 1.704-2(i)(3). With respect to each Member Nonrecourse Debt, Member Minimum Gain shall be determined by

computing for each Member Nonrecourse Debt any gain that the Company would realize if the Company disposed of the property subject to that liability for no consideration other than full satisfaction of such liability. For purposes of computing gain, the Company shall use the basis of such property that is used for purposes of maintaining Capital Accounts. In any taxable year in which a Revaluation occurs, the net increase or decrease in Member Minimum Gain for such taxable year shall be determined by: (1) calculating the net decrease or increase in Member Minimum Gain using the current year's book value and the prior year's amount of Member Minimum Gain, and (2) adding back any decrease in Member Minimum gain arising solely from the Revaluation.

"Member Nonrecourse Debt" shall have the same meaning as partner nonrecourse debt set forth in Treasury Regulation § 1.704-2(b)(4).

"Member Nonrecourse Deductions" shall have the same meaning as partner nonrecourse deductions set forth in Treasury Regulation § 1.704-2(i)(2). Generally, the amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a fiscal year equals the net increase during the year in the amount of Member Minimum Gain (determined in accordance with Treasury Regulation § 1.704-2(i)) reduced (but not below zero) by the aggregate distributions made during the year of proceeds of a Member Nonrecourse Debt and allocable to the increase in Member Minimum Gain, determined according to the provisions of Treasury Regulation § 1.704-2(i).

"Nonrecourse Deduction" shall have the same meaning as nonrecourse deductions set forth in Treasury Regulation § 1.704-2(b)(1). Generally, the amount of Nonrecourse Deductions for a fiscal year equals the net increase in the amount of Company Minimum Gain (determined in accordance with Treasury Regulation § 1.704-2(d)) during such year reduced (but not below zero) by the aggregate distributions made during the year of proceeds of a Nonrecourse Liability that are allocable to an increase in Company Minimum Gain, determined according to the provisions of Treasury Regulation § 1.704-2(c) and (h).

"Nonrecourse Liability" means a Company liability with respect to which no Member bears the economic risk of loss as determined under Treasury Regulation § 1.752-1(a)(2).

"Revaluation" means the occurrence of an event described in clauses (x), (y) or (z) of Section 2 below in which the book basis of Property is adjusted to its Fair Value.

2. Capital Accounts. Each Member's Capital Account shall be (a) increased by (i) the amount of money contributed by such Member, (ii) the Fair Value of property contributed by such Member (net of liabilities secured by such contributed property that the Company is considered to assume or take subject to under Code Section 752), (iii) allocations to such Member, pursuant to Article IV, of Company income and gain (or items thereof), and (iv) to the extent not already netted out under clause (b)(ii) below, the amount of any Company liabilities assumed by the Member or which are secured by any property distributed to such Member; and (b) decreased by (i) the amount of money

distributed to such Member; (ii) the Fair Value of property distributed to such Member (net of liabilities secured by such distributed property that such Member is considered to assume or take subject to under Code Section 752), (iii) allocations to such Member, pursuant to Article IV, of Company loss and deduction (or items thereof); and (iv) to the extent not already netted out under clause (a)(ii) above, the amount of any liabilities of the Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

In the event any interest in the Company is transferred in accordance with the terms of this Agreement, the assignee shall succeed to the Capital Account of the assignor to the extent it relates to the transferred interest, except as otherwise provided in the written transfer agreement between the assignor and assignee.

In the event of (w) an additional capital contribution by an existing or an additional Member of more than a de minimis amount or a distribution of property which results in a shift in Percentage Interests, (x) the distribution by the Company to a Member of more than a de minimis amount of property (other than cash), (y) a distribution of Property in exchange for an Interest, or (z) the liquidation of the Company within the meaning of Treasury Regulation § 1.704-1(b)(2)(ii)(g), the book basis of the Company Property shall be adjusted to Fair Value and the Capital Accounts of all the Members shall be adjusted simultaneously to reflect the aggregate net adjustment to book basis as if the Company recognized gain and loss equal to the amount of such aggregate net adjustment.

In the event that Property is subject to Code Section 704(c) or is revalued on the books of the Company in accordance with the preceding paragraph pursuant to Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, the Members' Capital Accounts shall be adjusted in accordance with Section 1.704-1(b)(2)(iv)(g) of the Treasury Regulations for allocations to the Members of depreciation, amortization and gain or loss, as computed for book purposes (and not tax purposes) with respect to such Property.

The foregoing provisions of this Section 2 and the other provisions of this Agreement relating to the maintenance of capital accounts are intended to comply with Treasury Regulation § 1.704-1(b) and Treasury Regulation § 1.704-2, and shall be interpreted and applied in a manner consistent with such Treasury Regulations. To the extent necessary to comply with Treasury Regulation § 1.704-1(b)(2)(ii)(d), a Member's Capital Account shall be reduced for the adjustments and allocations set forth in Treasury Regulation § 1.704-1(b)(2)(ii)(d)(4), (5) and (6). In the event the Manager and a Majority in Interest determines that it is prudent or advisable to modify the manner in which the Capital Accounts, or any increases or decreases thereto, are computed in order to comply with such Treasury Regulations, the Manager and Majority in Interest may cause such modification to be made without the consent of all the Members, provided that it is not likely to have a material effect on the amounts distributable to any Member upon the dissolution of the Company. In addition, the Manager and a Majority in Interest may amend this Agreement in order to comply with such Treasury Regulations as provided in Section 3(j) below.

3. Special Rules Regarding Allocation of Tax Items. Notwithstanding the provisions of Section 1.4 of the Agreement, the following special rules shall apply in allocating the Income or Loss of the Company:

(a) Section 704(c) and Revaluation Allocations. In accordance with Code Section 704(c) and the Treasury Regulations thereunder, and notwithstanding any subsequent repeal or modification thereof, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Fair Value at the time of contribution. In the event of the occurrence of a Revaluation, subsequent allocations of income, gain, loss and deduction with respect to such property shall take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Fair Value immediately after the adjustment in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder. Allocations pursuant to this Section 3(a) are solely for income tax purposes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account, distributions or share of income or loss, pursuant to any provision of this Agreement.

(b) Minimum Gain Chargeback. Notwithstanding any other provision of Section 4 of the Agreement, if there is a net decrease in Company Minimum Gain during a Company taxable year, each Member shall be allocated items of income and gain for such year (and, if necessary, for subsequent years) in an amount equal to that Member's share of the net decrease in Company Minimum Gain during such year (hereinafter referred to as the "**Minimum Gain Chargeback Requirement**"). A Member's share of the net decrease in Company Minimum Gain is the amount of the total decrease multiplied by the Member's percentage share of the Company Minimum Gain at the end of the immediately preceding taxable year. A Member is not subject to the Minimum Gain Chargeback Requirement to the extent: (1) the Member's share of the net decrease in Company Minimum Gain is caused by a guarantee, refinancing or other change in the debt instrument causing it to become partially or wholly recourse debt or a Member Nonrecourse Liability, and the Member bears the economic risk of loss for the newly guaranteed, refinanced or otherwise changed liability; (2) the Member contributes capital to the Company that is used to repay the Nonrecourse Liability and the Member's share of the net decrease in Company Minimum Gain results from the repayment; or (3) the Minimum Gain Chargeback Requirement would cause a distortion and the Commissioner of the Internal Revenue Service waives such requirement.

A Member's share of Company Minimum Gain shall be computed in accordance with Treasury Regulation § 1.704-2(g) and as of the end of any Company taxable year shall equal: (1) the sum of the nonrecourse deductions allocated to that Member up to that time and the distributions made to that Member up to that time of proceeds of a Nonrecourse Liability allocable to an

increase of Company Minimum Gain, minus (2) the sum of that Member's aggregate share of net decrease in Company Minimum Gain plus his aggregate share of decreases resulting from revaluations of Company Property subject to Nonrecourse Liabilities. In addition, a Member's share of Company Minimum Gain shall be adjusted for the conversion of recourse and Member Nonrecourse Liabilities into Nonrecourse Liabilities in accordance with Treasury Regulation § 1.704-2(g)(3). In computing the above, amounts allocated or distributed to the Member's predecessor in interest shall be taken into account.

(c) Member Minimum Gain Chargeback. Notwithstanding any other provision of Section 4 of the Agreement, if there is a net decrease in Member Minimum Gain during a Company taxable year, any Member with a share of that Member Minimum Gain (determined under Treasury Regulation § 1.704-2(i)(5)) as of the beginning of the year shall be allocated items of income and gain for such year (and, if necessary, for subsequent years) equal to that Member's share of the net decrease in Member Minimum Gain. In accordance with Treasury Regulation § 1.704-2(i)(4), a Member is not subject to the Member Minimum Gain Chargeback requirement to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Debt due to a conversion, refinancing or other change in the debt instrument that causes it to be partially or wholly a nonrecourse debt. The amount that would otherwise be subject to the Member Minimum Gain Chargeback requirement is added to the Member's share of Company Minimum Gain.

(d) Qualified Income Offset. In the event any Member unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation § 1.704.1(b)(2)(ii)(d)(4), (5) or (6), which causes or increases such Member's Adjusted Capital Account Deficit, items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) shall be specially allocated to such Member in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible, provided that an allocation under this Section 3(d) shall be made if and only to the extent such Member would have an Adjusted Capital Account Deficit after all other allocations under Article IV have been made.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any taxable year or other period shall be allocated to the Members in proportion to their Percentage Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deduction shall be allocated to the Member who bears the risk of loss with respect to the loan to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulation § 1.704-2(i).

(g) Curative Allocations. Any special allocations of items of income, gain, deduction or loss pursuant to Sections 3(b), (c), (d), (e) and (f) hereof shall be taken into account in computing subsequent allocations of income and gain

pursuant to Section 4 of the Agreement, so that the net amount of any items so allocated and all other items allocated to each Member pursuant to Section 4 of the Agreement shall, to the extent possible, be equal to the net amount that would have been allocated to each such Member pursuant to the provisions of Section 4 of the Agreement if such adjustments, allocations or distributions had not occurred.

(h) Loss Allocation Limitation. Notwithstanding the other provisions of Section 4 of the Agreement, unless otherwise agreed to by all of the Members, no Member shall be allocated Loss in any taxable year that would cause or increase an Adjusted Capital Account Deficit as of the end of such taxable year.

(i) Share of Nonrecourse Liabilities. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Treasury Regulation § 1.752-3(a)(3), each Member's interest in Company profits is equal to its respective Percentage Interest.

(j) Compliance with Treasury Regulations. The foregoing provisions of this Section 3 are intended to comply with Treasury Regulation §§ 1.704-1, 1.704-2 and 1.752-1 through 1.752-5, and shall be interpreted and applied in a manner consistent with such Treasury Regulations. In the event it is determined by the Manager and a Majority in Interest that it is prudent or advisable to so amend this Agreement in order to comply with such Treasury Regulations, the Manager and the Majority in Interest is empowered to amend or modify this Agreement without the consent of all the Members, notwithstanding any other provision of this Agreement.

(k) General Allocation Provisions. Except as otherwise provided in this Agreement, all items that are components of Income or Loss shall be divided among the Members in the same proportions as they share such net income or net loss, as the case may be, for the year. For purposes of determining the Income, Loss or any other items for any period, Income, Loss or any such other items shall be determined on a daily, monthly or other basis, as determined by the Members using any permissible method under Code Section 706 and the Treasury Regulations thereunder.