

COPY

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

In the Matter of the Rehabilitation of:

Segregated Account of Ambac Assurance Corporation

HSBC BANK USA, NATIONAL ASSOCIATION

Plaintiff,

- against -

AMBAC ASSURANCE CORPORATION,
THE WEINSTEIN PORTFOLIO FUNDING
COMPANY LLC, THE WEINSTEIN COMPANY
LLC, and MORRIGAN TRR FUNDING LLC

Defendants.

2010 JUN 10 PM 3:31

DANE COUNTY
CIRCUIT COURT

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CARLO ESQUEDA
CLERK OF CIRCUIT COURT

Case No. 10-CV-1576-A

Other - Contracts: 30303
Declaratory Judgment: 30701

AMENDED INTERPLEADER COMPLAINT

Plaintiff HSBC Bank USA, National Association ("HSBC"), by counsel, as and for its Amended Interpleader Complaint against the Defendants, alleges as follows:

Nature of the Action

1. This is an interpleader action, pursuant to Wis. Stat. § 803.07, arising out of HSBC's role as "Collateral Agent" under a Credit and Security Agreement, dated as of December 23, 2005 (the "Credit Agreement"), involving the Defendants. Ambac Assurance Corporation ("Ambac") is a party to the Credit Agreement because it provides the insurance in connection with the transaction.

2. As alleged below, recent demands from Ambac to release funds in the amount of approximately \$12.25 million that HSBC holds as Collateral Agent under the Credit Agreement has led to several competing ownership claims to such funds. Accordingly, HSBC, as a stakeholder with no ownership interest in the dispute, has filed this interpleader action to ask the Court to determine the parties' rights to the funds and to obtain an order discharging HSBC from any liability in connection with those funds.

Parties

3. HSBC is a national banking association organized and existing under the laws of the United States with its main office in McLean, Virginia.

4. Ambac is organized and existing under the laws of Wisconsin with its principal place of business in New York, New York.

5. The Weinstein Portfolio Funding Company LLC ("WPFC") is organized and existing under the laws of Delaware with its principal place of business in New York, New York.

6. The Weinstein Company LLC ("TWC") is organized and existing under the laws of Delaware with its principal place of business in New York, New York.

7. Morrigan TRR Funding LLC ("Morrigan") is organized and existing under the laws of Delaware with its principal place of business in New York, New York.

Jurisdiction and Venue

8. This Court has jurisdiction over this matter pursuant to an Order for Temporary Injunctive Relief dated March 24, 2010 (the "March 24 Injunction"). In the March 24 Injunction, the Court held that it has exclusive jurisdiction over any "actions, claims or lawsuits" in respect of policies that are included in the segregated account of Ambac (the "Segregated Account") established under the Court's Order of Rehabilitation dated March 24, 2010 (the "Rehabilitation

Order”). (See March 24 Injunction at ¶ 1.) The Ambac policy relating to the Credit Agreement at issue here, AB0960BE, is listed as being in the Segregated Account.

9. The Court has personal jurisdiction over Ambac, pursuant to Wis. Stat. § 801.05(1)(c), because it is a domestic corporation. The Court has personal jurisdiction over the other Defendants, pursuant to § 801.05(1)(d), because, among other things, they engaged in substantial activities in Wisconsin relating to the highly regulated area of insurance and contracted with an insurer, Ambac, that is subject to rehabilitation proceedings in Wisconsin. This action is also connected to the forum because, as alleged above, the Ambac policy here is in the Segregated Account and a decision regarding the claims to the disputed funds could have an impact on Ambac’s rehabilitation. The Court will also have *in rem* jurisdiction, pursuant to Wis. Stat. § 801.07(1), upon HSBC’s deposit of the funds at issue in the Court’s registry.

10. Venue is proper pursuant to the March 24 Injunction and the Rehabilitation Order, which states that “[t]his Court shall be the Rehabilitation Court for all matters relating to the Segregated Account.” (Rehabilitation Order at ¶ 2.)

Factual Background

A. The Credit Agreement and HSBC’s Role as Collateral Agent

11. WPFC, TWC, HSBC, Ambac and Morigan entered into the Credit Agreement in relation to certain loans extended to WPFC.

12. Ambac issued insurance in connection with the transaction and is also referred to in the Credit Agreement as the “Control Party.” HSBC, in addition to being the “Administrative Agent” under the Credit Agreement, is the Collateral Agent for the secured parties in the transaction.

B. Dispute over Funds in Forbearance Collateral Account

13. The Credit Agreement has undergone several amendments, the latest being Amendment No. 25 and Limited Waiver, dated as of March 23, 2010 (“Amendment No. 25) (a copy of which is attached hereto as Exhibit A). Pursuant to Amendment No. 25, HSBC — as Collateral Agent and at the direction of WPFC — established a “Forbearance Collateral Account,” which contains \$6 million in funds. (*See* Ex. A, Section 3(b).)

14. Ambac, as the Control Party, has the right to direct HSBC to draw all the amounts in the Forbearance Collateral Account and apply such funds to repay outstanding advances under the Credit Agreement. (*See id.*)

15. On May 25, 2010, Ambac sent a letter to HSBC (the “May 25 Direction Letter”) invoking Section 3(b) of Amendment No. 25 and directing HSBC to draw the funds in the Forbearance Collateral Account on May 26, 2010. (*See* Ex. B hereto at 1.)

16. Almost immediately thereafter, Andrew Dietderich of Sullivan & Cromwell, counsel for TWC, sent an e-mail to HSBC and its counsel urging HSBC to ignore the May 25 Direction Letter on the grounds that Ambac’s request is “in violation of applicable law and not made in good faith.” (Ex. C hereto.) Mr. Dietderich also stated that the drawing of the funds in the Forbearance Collateral Account “would harm other stakeholders in TWC without benefitting Ambac.” (*Id.*) Mr. Dietderich further implied that compliance with the May 25 Direction Letter would “deplete the estate of WPFC and the collateral for other lenders.” (*Id.*)

17. A few hours later, counsel for WPFC, Evan Fleck, wrote to counsel for Ambac and similarly alleged that the May 25 Direction Letter is “in direct contravention of Ambac’s understanding with [TWC] with respect to the use of [the] funds [in the Forbearance Collateral Account].” (Ex. D hereto at 1.) Mr. Fleck stated that Ambac had agreed that such funds “would

be held in escrow and used to satisfy obligations owed to certain creditors in connection with a global restructuring of WPFC's affairs." (*Id.*)

18. Thus, there are multiple parties asserting claims to the funds in the Forbearance Collateral Account. HSBC, on the other hand, has no ownership interest in such funds and it takes no position with regard to the various assertions of the parties; its sole interest is in making sure that the funds are released to, or for the benefit of, the proper party or parties.

C. Dispute over Funds in Lock-Box Accounts

19. On June 7, 2010, Ambac sent another direction letter to HSBC (the "June 7 Direction Letter"), this time invoking "Section 8(a)(vii)" of the Credit Agreement, which was clarified via both context and subsequent communications to mean "Section 8.01(a)(vii)." (Ex. E hereto.)

20. Pursuant to Section 8.01(a) of the Credit Agreement, WPFC and/or TWC designate payments made into certain Lock-Box Accounts as either Gross Receipts, which are then transferred to a Collection Account and used to service debt and pay expenses under the Credit Agreement, or Excluded Receipts, which are remitted to TWC. (*See* Ex. A, Sections 8.01(a)(iii) & 8.01(b).)

21. Section 8.01(a)(vii) provides that, during such time as the Collateral Agent exercises control of the Lock-Box Accounts by giving a Notice of Exclusive Control, as defined in the Credit Agreement, upon "receipt of information that particular funds retained by the Borrower [*i.e.*, TWC] (or by the Master Distributor on the Borrower's behalf) as funds constituting Excluded Receipts are Gross Receipts, the Collateral Agent shall reallocate funds on deposit in any Lock-Box Account that are Excluded Receipts as funds that are Gross Receipts in

an amount equal to the amount previously retained by the Borrower (or the Master Distributor) in error.” (Ex. A, Section 8.01(a)(vii).)

22. HSBC issued a Notice of Exclusive Control pursuant to Section 8.01(a)(v) of the Credit Agreement on April 27, 2009.

23. The June 7 Direction Letter purports to notify HSBC that TWC has improperly retained as Excluded Receipts certain funds (including but not limited to those set forth on an attached annex, which amount to \$6,250,000) and directs HSBC to designate all funds in any Lock-Box Account that would otherwise be Excluded Receipts as Gross Receipts until such time as the re-designated funds equal those which were improperly retained. (See Ex. E at 1 & Annex A.)

24. On June 8, 2010, Mr. Dietderich (counsel for TWC) sent an e-mail to HSBC’s counsel urging HSBC to ignore the June 7 Direction Letter and stating that “[n]o money should be moved pursuant to any instructions of Ambac without the written approval of WPFC and TWC.” (Ex. F hereto.) In a subsequent letter, sent on June 9, 2010 (the “June 9 Letter”), TWC’s counsel stated that Ambac had failed to provide the requisite information that the funds were improperly designated and “instead merely asserts that it has a right to those funds.” (Ex. G hereto at 2.) TWC’s counsel also alleged that a transfer would violate other rights TWC claims under the Transaction Documents, which is defined in the Credit Agreement as including the Credit Agreement, and that HSBC is required to act upon TWC’s direction. (*Id.*) The June 9 Letter further stated that “TWC hereby directs [HSBC] to leave the funds at issue as they are currently, and properly designated — *i.e.*, as Excluded Receipts — and not to transfer or reallocate those funds.” (*Id.*)

25. Thus, there are competing claims with respect to the designation of funds in the Lock-Box Accounts. HSBC has no ownership interest in such funds and it takes no position with regard to the various assertions of the parties; its sole interest is in making sure that the funds are designated properly pursuant to the Credit Agreement.

**Count I
(Interpleader)**

26. HSBC hereby incorporates the allegations in Paragraphs 1 through 25 of this Amended Interpleader Complaint as if they were fully set forth herein.

27. As alleged above, HSBC is exposed to multiple liability as a result of several adverse claims by some or all of the Defendants to the funds described above.

28. Accordingly, an action of interpleader under Wis. Stat. § 803.07 is warranted here. The Defendants should be ordered to interplead and settle their respective claims among themselves.

**Count II
(Declaratory Relief)**

29. HSBC hereby incorporates the allegations in Paragraphs 1 through 28 of this Amended Interpleader Complaint as if they were fully set forth herein.

30. Because HSBC is exposed to multiple liability and has no interest in the disputed funds in the Forbearance Collateral Account, it would also be appropriate for the Court to enter an order (a) restraining the Defendants from commencing any action against HSBC regarding the disputed funds; and (b) discharging HSBC from any liability to the Defendants in connection with such funds.

31. Because HSBC is exposed to multiple liability and has no interest in the designation of funds in the Lock-Box Accounts, it would also be appropriate for the Court to enter an order (a) restraining the Defendants from commencing any action against HSBC

regarding the designation of such funds; and (b) discharging HSBC from any liability to the Defendants in connection with the designation of such funds.

WHEREFORE, HSBC respectfully requests that the Court enter a judgment:

- (a) requiring the Defendants to interplead in this action and settle the claims to the disputed funds in the Forbearance Collateral Account and the Lock-Box Accounts among themselves;
- (b) restraining the Defendants from commencing any action against HSBC regarding the disputed funds described herein;
- (c) discharging HSBC from any liability to the Defendants in connection with the disputed funds described herein;
- (d) awarding HSBC its reasonable fees and costs incurred in bringing this action; and
- (e) granting such other relief as the Court deems just and proper.

Dated: June 10, 2010

von BRIESEN & ROPER, s.c.

By: 

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EXHIBIT A

EXECUTION VERSION**AMENDMENT NO. 25 AND LIMITED WAIVER**

THIS AMENDMENT NO. 25 AND LIMITED WAIVER (this "**Agreement**"), dated as of March 23, 2010 is entered into by and among The Weinstein Portfolio Funding Company LLC (the "**Borrower**"), The Weinstein Company LLC, in its capacities as Master Distributor and as Seller (each as defined in the Credit Agreement referred to below) (the "**Originator**"), Ambac Assurance Corporation, in its capacity as Control Party (as defined in the Credit Agreement) ("**Ambac**"), and, solely for purposes of **Section 3** and **Section 6(b)** hereof, Weinstein Global Film Corp. ("**WGFC**"), and, solely for purposes of **Sections 2(a)** and **3(b)** hereof, HSBC Bank USA, N.A., in its capacity as Collateral Agent (as defined in the Credit Agreement).

Capitalized terms used herein and not defined herein shall have the meanings specified in Amendment No. 24 (as defined below).

PRELIMINARY STATEMENTS:

WHEREAS, reference is made to (i) the Credit and Security Agreement, dated as of December 23, 2005 (as amended prior to the date hereof and as otherwise amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, the Originator, the financial institutions and commercial paper conduits from time to time party thereto, HSBC Bank USA, N.A., as Administrative Agent and Collateral Agent, and Ambac and (ii) to the Master Distribution Agreement as defined therein;

WHEREAS, pursuant to Amendment No. 18, Amendment No. 19, Amendment No. 20, Amendment No. 21, Amendment No. 22, Amendment No. 23 and Amendment No. 24 and Limited Waiver, dated as of February 18, 2010 (as amended, supplemented or modified, including as modified hereby, "**Amendment No. 24**," and together with Amendment Nos. 18 through and including 23 and this Agreement, collectively, the "**Amendment and Limited Waiver**"), by and among Ambac, the Borrower and the Originator, Ambac agreed to, among other things, forbear from exercising certain rights and remedies arising from certain Defaults by executing a limited waiver thereof;

WHEREAS, each of the Originator and the Borrower has requested that Ambac continue to so forbear from exercising certain rights and remedies in respect of the Defaults set forth on **Schedule I** hereto (the "**Specified Defaults**") by extending the Waiver Period under Amendment No. 24;

WHEREAS, the continuation by Ambac of the Waiver Period will result in substantial benefits to the Borrower and the Originator, including, without limitation, in regard to the Originator through the reimbursement of substantial expenses and payment of fees;

WHEREAS, Ambac is willing, upon and subject to the satisfaction of certain conditions precedent and in reliance on the covenants, representations and agreements contained herein, to grant the requested extension; and

WHEREAS, in connection with such request, the parties hereto desire to amend certain provisions of the Transaction Documents on the terms and conditions hereinafter set forth;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows:

SECTION 1. Limited Waiver Extension and Extension of Master Distribution Agreement.

- (a) In reliance on the representations and warranties set forth in this Agreement and subject to the satisfaction of the conditions set forth in Section 2 hereof, effective as of the date hereof, Ambac hereby extends the Waiver Period set forth in Amendment No. 24 solely from March 25, 2010 through and including May 21, 2010 or such later date as Ambac shall, in its sole discretion, determine by written notice to the Originator and the Borrower (the "Waiver Extension Period"), it being understood and agreed that the previously granted waiver under Amendment No. 24 has been and continues to be solely a limited waiver and shall automatically and immediately terminate if any of the following shall occur:
- I. the Borrowing Base shall fall below \$285,000,000;
 - II. the Ultimates Coverage Ratio shall fall below 0.68:1.0;
 - III. the Borrower requests any Advance pursuant to Section 2.02 of the Credit Agreement;
 - IV. any Matured Default (as defined below) other than the Specified Defaults shall occur;
 - V. the Borrower or the Originator shall fail in any respect (other than an immaterial failure) to perform or observe any term, covenant or agreement contained in the Amendment and Limited Waiver, or any representation or warranty made by the Borrower or the Originator in the Amendment and Limited Waiver shall prove to have been incorrect in any respect when made;
 - VI. On or prior to April 27, 2010, the Originator shall have failed to pay to Ambac's counsel and advisors, in immediately available funds, all outstanding amounts that have been invoiced by or on behalf of Ambac and unpaid as of such date with respect to all fees, charges or expenses payable in accordance with the terms and provisions of the Credit Agreement and the other Transaction Documents; or
 - VII. On each of the March 2010 Settlement Date and the April 2010 Settlement Date, the Borrower shall have failed to pay to the Administrative Agent for the ratable account of the Lenders, to be applied as an optional prepayment to repay the Outstanding Amount of the Advances, an amount equal to (i) the aggregate amount that would otherwise be payable pursuant to item Twenty-Eighth of the Priority of Payments on each such Settlement Date if no such optional prepayment were to be paid (the "Residual Amount") less, (ii) the sum of (A) the Borrower's Residual (as defined in Section 3(a) hereof) and (B) the amounts deposited into the Forbearance Collateral Account pursuant to Section 3(b) hereof.
- (b) The Waiver Extension Period is solely a limited waiver and, subject to the preceding clauses I through VII of subparagraph (a), shall expire at midnight, New York time, on May 21, 2010 (the "Waiver Termination Date"), without further act or deed of any party, and thereafter the Specified Defaults shall exist as if the Waiver Extension Period had not occurred and the rights and remedies of Ambac, the Collateral Agent and the other Secured Parties arising as a result of any Specified Default under the Credit Agreement and the other Transaction Documents shall be exercisable in full as if the Waiver Extension Period had not occurred, and the rights and remedies of Ambac, the Collateral Agent and the other Secured Parties shall not be prejudiced hereby and are hereby expressly preserved. Notwithstanding anything herein to the contrary,

each of the parties hereto hereby agrees, for the avoidance of doubt, that the Waiver Extension Period shall not be effective as to, and the Control Party shall continue to have and may exercise, notwithstanding the Waiver Extension Period, the following rights and remedies as if the Waiver Extension Period was not in effect: (i) the rights under Section 3.04 of the Insurance Agreement, (ii) the rights under Section 3.2 and 6.10 of the Master Distribution Agreement (provided, that the Control Party's rights in Sections 3.2(c)(ii) and 3.2(c)(iii) thereof shall be limited to a right to review the accuracy of the amounts set forth on any P&R Payment Certificate and Distribution Expense Reimbursement Certificates), (iii) the right to waive the minimum rating requirements with respect to an Eligible Assignee and (iv) the rights under Sections 5.01(e), 7.04(b), 8.01(b) (provided that, during the Waiver Extension Period, the Control Party's rights in regard to Excluded Receipts Certificates shall be governed by Amendment No. 18), 3.03(e), the last paragraph of 8.03, 9.06, 9.07 and 9.10(d) of the Credit Agreement, in each case as if the Waiver Extension Period was not in effect.

- (c) In reliance on the representations and warranties set forth in this Agreement and subject to the satisfaction of the conditions set forth in Section 2 hereof, the Control Party hereby consents to an extension of the Term of the Master Distribution Agreement until May 21, 2010, and this Section 1(c) shall constitute delivery of notice of such written consent to the Master Distributor and the Purchaser as required pursuant to Section 2.2 of the Master Distribution Agreement.

SECTION 2. Conditions. The Waiver Extension Period shall become effective as of the date hereof when, and only when, each of the following conditions has been satisfied unless waived in writing by Ambac in whole or in part:

- (a) The Collateral Agent shall have established a deposit account held with the Collateral Agent, and in the name of and under the control of the Collateral Agent (the "Forbearance Collateral Account").
- (b) The Seller shall have Transferred to the Borrower all rights, title and interest to each of the Films set forth on Schedule II hereto (the "Contributed Films") and, in each case, all Excluded Liens and Liens in favor of the Screen Actors Guild, the Writers Guild of America, the Directors Guild of America, the American Federation of Musicians, the International Alliance of Theatrical and Stage Employees and any other unions, guild or collective bargaining units whose collective bargaining agreement applies to the applicable Film, in each case created in the ordinary course of business ("Production and Residual Liens") and (ii) the Lien in favor of Harvey Weinstein and Robert Weinstein pursuant to and solely in connection with the Limited Recourse Credit and Security Agreement, dated as of September 28, 2009, but excluding all other obligations including without limitation, Produced Film Negative Cost, Production Period Interest and TWC Overhead and Fees, all of which shall specifically be retained by the Originator. For the avoidance of doubt, the Originator shall be entitled to recoup only such costs and expenses as are permitted pursuant to the terms of the Transaction Documents (as limited by Section 4 hereof).
- (c) Ambac shall have received a complete list as of the date hereof of all available rights (i.e., all potential revenue streams per platform and territory, including all exploitation, merchandising, licensing, interactive, derivative production and any other revenues) ("Available Rights") (A) for all Transferred Films of the Originator and its Affiliates (other than the Borrower) indicating all obligors under the applicable licensing, distribution, film rights and other exploitation agreements relating to each Transferred Film and (B) with respect to all films, television properties, theatrical plays, books or other assets for which rights have been acquired, licensed or optioned, in production, in pre-production, in development, dormant or otherwise, of the Originator and its

Affiliates (other than Borrower) indicating all obligors under the applicable licensing, distribution, film rights and other exploitation agreements, and whether such agreements relate to films or other assets owned or licensed solely by the Originator or its Affiliates or relate to properties owned or licensed by multiple parties. The Originator shall specify which of the Available Rights relate to any Revenue Participation Interest Film or Contractually Restricted Film, and, to the extent so related, specify what revenues from such Available Rights belong to the Borrower (collectively, a "List of Available Rights").

- (d) Ambac's counsel and advisors shall have received, in immediately available funds, all outstanding amounts that have been invoiced by or on behalf of Ambac and unpaid as of such date with respect to all fees, charges or expenses payable in accordance with the terms and provisions of the Credit Agreement and the other Transaction Documents, including, without limitation, all fees, expenses and disbursements of (i) PricewaterhouseCoopers for three (3) invoices each dated March 19, 2010 and (ii) Dewey & LeBoeuf LLP for the invoice dated March 22, 2010, and all other amounts due and payable pursuant to Section 13 hereof.
- (e) Ambac shall have received counterparts of this Agreement executed by each of the parties hereto.
- (f) Ambac (or its counsel) shall have received such other instruments, agreements and documents as it shall require in connection with the Amendment and Limited Waiver and the matters referred to herein, including, without limitation, confirmatory assignments, UCC financing or continuation statements and other security interest confirmations.
- (g) The Collateral Agent shall have received written notice of the extension of the Term of the Master Distribution Agreement as set forth in Section 1(c) hereof.

SECTION 3. Covenants. In addition to and not in limitation of the obligations and agreements of the parties under the other Transaction Documents, each of the parties hereto hereby confirms and agrees that the covenants of the Originator, the Borrower and WGFC in Section 3 of each Amendment and Limited Waiver (other than this Agreement), respectively, continue in full force and effect in all respects and, without limiting the foregoing, further agree as follows:

- (a) On each of the March 2010 Settlement Date and the April 2010 Settlement Date, the Borrower shall be permitted to retain an amount (the "Borrower's Residual") equal to (i) twenty-five percent (25%) of the Residual Amount ~~less~~ (ii) any amounts payable to the Originator as a Master Distributor Fee, whether payable pursuant to item Seventh or Thirteenth of the Priority of Payments, in excess of 6.5% of aggregate, cumulative Gross Receipts for the Transferred Film Assets. The parties hereto acknowledge and agree that from and after the date hereof until the end of the Waiver Extension Period, the Originator shall receive amounts payable under items Seventh and Thirteenth of the Priority of Payments without giving effect to limitations and other provisions set forth in Section 5(b) of Amendment No. 12.
- (b) The Borrower hereby directs the Collateral Agent, and the Collateral Agent hereby agrees, to maintain and accept for deposit into the Forbearance Collateral Account, on the March 2010 Settlement Date, \$3,000,000 and (ii) on the April 2010 Settlement Date, an amount (as specified in accordance with Section 8.03 of the Credit Agreement) equal to the lesser of (x) \$3,000,000 and (y) twenty-five percent (25%) of the Residual Amount. For the avoidance of doubt, and without limiting Section 7.01 of the Credit Agreement, the Borrower hereby grants the Collateral Agent a first priority perfected security interest in the Forbearance Collateral Account and agrees that such account shall be under the sole and exclusive dominion and control of the Collateral Agent. The Control Party shall be permitted to access funds on deposit in the Forbearance

Collateral Account (and shall notify the Borrower and the Originator of any such withdrawal), and the Collateral Agent hereby agrees to withdraw amounts on deposit in such account as directed by the Control Party (in its sole discretion), from time to time, to be applied as an optional prepayment to repay the Outstanding Amount of the Advances; provided, however, that, except as otherwise agreed by the parties hereto, the Control Party shall be entitled to direct the Collateral Agent, and the Collateral Agent hereby agrees upon any such direction, to draw all amounts on deposit in the Forbearance Collateral Account on the Waiver Termination Date and apply such funds as an optional prepayment to repay the Outstanding Amount of the Advances without any further notice or direction. It is understood that the Collateral Agent has the benefit of its rights and indemnities under the Credit Agreement in regard to this Forbearance Collateral Account.

- (c) The Originator shall, by no later than March 25, 2010, establish a deposit account, in the name of and under the control of the Originator (the "TWC Account"), and such account shall be funded and maintained by the Originator in the amount of \$6,000,000; provided, however, that, except as otherwise agreed by the parties hereto, the Originator shall be entitled to draw funds on deposit in the TWC Account, for any purpose at any time, upon notice to the Control Party.
- (d) The Originator shall, on a bi-weekly basis from the date hereof, provide the Control Party an updated, complete List of Available Rights.
- (e) The Originator and the Borrower hereby agree that, unless it shall have obtained the prior written consent of the Control Party (such consent to be granted in its sole discretion), there shall be no new acquisition of (i) any Film or Film rights (e.g., literary rights, talent or director agreement, etc.) other than with respect to the Films listed on Schedule V or fulfillment of option commitments existing as of the date hereof or (ii) distribution rights, in excess of \$500,000 (provided that prior to incurring or committing to incur any P&A Expenses related to any such rights, all such P&A Expenses are financed in full by the Originator on arms-length and commercially reasonable terms and provided such financing is (x) non-recourse and solely secured by such acquired rights and (y) provided by a third party that is not an Affiliate or Subsidiary of the Originator or the Borrower) in the aggregate for all items referred to in (i) and (ii) of this Section 3(e) during the period from November 18, 2009 through the end of the Waiver Extension Period, and the Originator shall provide written notice to the Control Party prior to commencing the development, pre-production or production of any Film. Notwithstanding anything in this Section 3(e) to the contrary, the Originator shall be permitted to acquire Film, Film rights or distribution rights if the Originator has financed the full cost of such acquisition (including prior to incurring or committing to incur any Distribution Expenses relating thereto) on arms-length and commercially reasonable terms and provided such financing is (A) non-recourse and solely secured by such acquired rights and (B) provided by a third party that is not an Affiliate or Subsidiary of the Originator or the Borrower.
- (f) Without limitation of any other rights of Ambac under the Transaction Documents, the Originator shall grant to such firm or individual (the "Monitor") as shall be designated by Ambac (in its sole discretion) on-site access during the Waiver Extension Period to the Originator's finance and/or accounting department personnel and to the books and records of the Originator and/or the Borrower during business hours, at the expense of the Originator, it being understood and agreed that the Monitor for purposes of this Section 3(f) shall be PricewaterhouseCoopers. The Originator shall pay any expenses, in respect of the professional fees of the Monitor incurred for such on-site access during the Waiver Extension Period, not to exceed \$450,000 in the aggregate during the period from August 27, 2009 through the end of the Waiver Extension Period. For the avoidance of doubt other than such limitation on reimbursement of the professional fees of the

Monitor during the Waiver Extension Period as provided herein, this Section 3(f) shall not limit or otherwise affect, and is subject to, the rights and benefits of the Control Party under the Transaction Documents, including, without limitation, the rights to reimbursement of expenses (including the quarterly audit fees and expenses of PricewaterhouseCoopers).

- (g) In addition to and without limiting in any respect Section 3(f) of Amendment No. 19, each of the Originator and the Borrower hereby acknowledges and agrees that any amounts owed and payable by the Borrower to the Originator beginning with the March 2010 Settlement Date, or any other Settlement Date as Ambac (in its sole discretion) may instruct in writing, in respect of any Distribution Expenses, fees or residual payments, shall be reduced and set-off dollar-for-dollar by the aggregate amount of revenues and other receipts received by the Originator or any of its Affiliates (other than the Borrower) through and including May 21, 2010 in respect of the Exploitation of *Inglourious Basterds* (the "IB Film") that exceed Distribution Expenses for such Film.
- (h) Except as set forth in Section 6(k) hereof, each of the Originator and the Borrower hereby agrees that it shall not enter, and shall not permit any of its Affiliates or Subsidiaries to enter, into any agreement or compensation arrangement with either of Harvey Weinstein, Robert Weinstein and/or any of their Affiliates.
- (i) Each of the Originator and the Borrower hereby agrees to provide prompt written notice to Ambac in the event that it becomes aware that the independent manager of the Borrower shall have resigned, been terminated or is otherwise no longer in office.
- (j) Each of the Originator and the Borrower hereby agrees, as to itself, that the aggregate amount of Distribution Expenses with respect to the Contributed Films to be incurred and paid by, or on behalf of, the Originator and/or the Borrower from the date hereof until the end of the Waiver Extension Period shall not exceed the amounts set forth on Schedule II hereto.

SECTION 4. Acknowledgments. The Master Distributor hereby acknowledges and agrees that as of March 29, 2010 and April 27, 2010 (after giving effect to the application of amounts pursuant to Section 8.03 of the Credit Agreement required to be made on each such date and actually paid prior to such dates), the outstanding amount of the Master Distributor Fees will be \$2,221,000 and the amount of Distribution Expenses advanced by and not reimbursed to the Master Distributor will be \$0.

SECTION 5. Amendments to the Transaction Documents. The Transaction Documents are hereby amended as set forth on Appendix A hereto.

SECTION 6. Representations and Warranties of the Originator and the Borrower. The Originator and the Borrower each hereby represents and warrants to Ambac, the Collateral Agent and the Lenders, solely with respect to itself, as follows:

- (a) It has been duly formed and is validly existing and in good standing as a limited liability company under the law of the State of Delaware with all requisite limited liability company power and authority under its limited liability company agreement to execute, deliver and perform its obligations under the Amendment and Limited Waiver and each other Transaction Document to which it is or is to be a party (as modified hereby).
- (b) WGFC has been duly formed and is validly existing and in good standing as a corporation under the law of the State of Delaware with all requisite corporate power and authority under its amended and restated certificate of incorporation to execute, deliver and perform its obligations

under this Agreement and each other Transaction Document to which it is a party (as modified hereby).

- (c) The execution, delivery and performance by it of the Amendment and Limited Waiver and each other Transaction Document to which it is or is to be a party (as modified hereby), and the other transactions contemplated hereby and thereby, are within its limited liability company powers, have been duly authorized by all necessary limited liability company action, and do not (i) contravene, or constitute a default under, its certificate of formation or limited liability company agreement, (ii) violate any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or (iii) conflict with or result in the breach of, or constitute a default under, any other Transaction Document, any Film Rights Agreement or any other contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on it or any of its properties, in each case which breach or default has not been permanently waived in accordance therewith.
- (d) No consent of any other Person and no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party that has not been obtained is required for the due execution, delivery or performance by it of the Amendment and Limited Waiver or any other Transaction Document to which it is or is to be a party (as modified hereby).
- (e) The Amendment and Limited Waiver, and each other Transaction Document (as modified hereby) to which it is a party, has been duly executed and delivered by it and is its legal, valid and binding obligation, enforceable against it in accordance with the terms of such document, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles.
- (f) As of the date hereof, except as expressly set forth on Schedule I, no Event of Default, Early Amortization Event, Partial Amortization Event or Master Distributor Default (including, without limitation, any default, breach or other event of non-compliance under this Agreement or any Amendment and Limited Waiver) (each, a "Matured Default") has occurred and is continuing or would result from the execution, delivery and performance by it of the Amendment and Limited Waiver and the transactions contemplated hereby.
- (g) The list on Schedule III hereto contains all Films owned by the Borrower as of the date hereof and not Released, and the Transfer Date with respect thereto. The Films listed on Schedule III(B) hereto are all Licensed Films not Released within 180 days of such Film's Transfer Date and that, as of the Transfer Date of each, were Eligible Unreleased Films. The Originator and the Borrower hereby agree not to include any such Films listed on Schedule III(B) hereto in any Ultimates Calculation until such Films are Released.
- (h) The list on Schedule IV hereto contains all output agreements related to Films that have been Transferred to the Borrower prior to the date hereof.
- (i) All information provided by the Borrower or the Originator pursuant to Section 2(a) hereof or any other provision of the Amendment and Limited Waiver is true and correct.
- (j) Except as set forth on Schedule I hereto, all Eligible Films and Conditioned Ineligible Films have been Transferred pursuant to Section 2.01(d) of the Sale and Contribution Agreement.

- (k) The Originator has (i) provided to Ambac a full and complete copy of all agreements between Harvey Weinstein and/or Robert Weinstein (the "Weinsteins") (and/or any of their Affiliates), on the one hand, and the Originator (and/or any of its Affiliates), on the other hand and (ii) fully and clearly disclosed to the Control Party in writing all other compensation arrangements between such parties and all other agreements under which either of the Weinsteins, directly or indirectly, has a right to receive any compensation with respect to any Film, any element for development or production of a Film (e.g., literary rights or talent, director, producer or executive producer agreement, etc.) or distribution rights related thereto. All such agreements and compensation arrangements are set forth on Schedule VI hereto.
- (l) The representations and warranties of the Borrower and Originator in the Credit Agreement and other Transaction Documents are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of the date hereof (except to the extent relating solely to an earlier date, in which case they were true and correct as of such earlier date).
- (m) Each of the conditions precedent necessary to amend the Transaction Documents set forth herein and therein or as otherwise required under the Transaction Documents has been, or contemporaneously with the execution of this Agreement will be, satisfied.
- (n) The best estimates of management of the Originator of the amount of the Borrowing Base and of the Ultimates Coverage Ratio as of the end of the Waiver Extension Period, based on the February 26, 2010, March 29, 2010 and April 27, 2010 cash flows and the Transfer of the Contributed Films to the Borrower on the date hereof, are, respectively, \$285,000,000 and 0.68:1.0.
- (o) Each of the Contributed Films is being Transferred by the Originator to the Borrower free and clear of all Liens, other than Production and Residual Liens, but excluding all other obligations including without limitation, Produced Film Negative Cost, Production Period Interest and TWC Overhead and Fees, all of which shall specifically be retained by the Originator. As of the date hereof, the aggregate amount of commitments, revenues and other receipts received by the Originator and its Affiliates (other than the Borrower) in respect of the Exploitation of the Contributed Films is as follows: (i) with respect to *Lesbian Vampire Killers*, \$1,088,000 in the aggregate, which amount has been paid in full to the Originator, (ii) with respect to *A Single Man*, \$6,723,000 in the aggregate, of which \$853,000 has been paid to the Originator, (iii) with respect to *Everything Put Together*, \$450,000 in the aggregate, which amount has been paid in full to the Originator, (iv) with respect to *Battle of Wits*, \$370,000 in the aggregate, which amount has been paid in full to the Originator, (v) with respect to *Afterwards*, \$552,000 in the aggregate, which amount has been paid in full to the Originator, and (vi) with respect to *Revenge*, \$106,000 in the aggregate, which amount has been paid in full to the Originator. No other amounts in connection to any Contributed Film have been received by the Originator.
- (p) As of the date hereof, (i) the best estimates of management of the Originator of the aggregate amount of Distribution Expenses incurred and paid by, or on behalf of, the Originator and/or the Borrower through the date hereof in regard to the IB Film is \$44,500,000 and (ii) the aggregate amount of all Distribution Expenses budgeted by the Originator for the IB Film is \$50,000,000. Each of the Originator and the Borrower agrees to give prompt written notice to Ambac of any change to the amounts in clause (i) or (ii) above.
- (q) As of the date hereof, the aggregate amount of revenues and other receipts received by the Originator and its Affiliates (other than the Borrower) in respect of the Exploitation of the IB Film is \$86,992,000.

SECTION 7. Limitation of Amendment and Limited Waiver. The Amendment and Limited Waiver shall be limited precisely as written and, except as expressly provided herein, shall not be deemed (a) to be an amendment, waiver or modification of any term or condition of the Credit Agreement, any other Transaction Document or any of the instruments or agreements referred to in any such document or a waiver of any Default or any event which but for the lapse of time or the giving of notice, or both, would constitute a Default, whether or not known to Ambac or (b) to prejudice any other claims or rights that Ambac may now or in the future have under or in connection with the Credit Agreement, any other Transaction Document (including, without limitation, with respect to any misapplication of funds by the Master Distributor (all claims with respect to which are expressly reserved hereby)) or any of the instruments or agreements referred to in any such document, and does not affect or otherwise diminish the rights of Ambac to require strict performance of any provision of the Transaction Documents. For the avoidance of doubt, (i) the Amendment and Limited Waiver shall pertain only to the matters expressly referred to above or in any other Amendment and Limited Waiver entered into prior to date hereof and is effective only for the limited purposes set forth above or in any other Amendment and Limited Waiver entered into prior to date hereof, and shall not be deemed to authorize any other action or non-compliance on the Borrower's or the Originator's part and (ii) the Waiver Extension Period does not constitute a waiver of any Default or non-compliance under the Transaction Documents, including, without limitation, a Master Distributor Default pursuant to subsection (v) of the definition of such term as a result of any "event of default" or similar event under the Ziff Credit Agreement (a "Ziff Loan EOD"), provided, however, that Ambac agrees to forbear during the Waiver Extension Period from exercising any of its rights or remedies (excluding rights and remedies exercisable by it under the Amendment and Limited Waiver) which may arise solely as a result of a Ziff Loan EOD if and so long as the "Lender" under the Ziff Credit Agreement forbears from exercising any rights or remedies under the Ziff Credit Agreement and Loan Documents (as defined therein).

SECTION 8. Reference to and Effect on the Transaction Documents.

- (a) The Transaction Documents, as specifically modified by the Amendment and Limited Waiver, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The Amendment and Limited Waiver constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, there being no other agreements or understandings, oral, written or otherwise, respecting such subject matter, any such agreement or understanding being superseded hereby.
- (b) This Agreement shall be effective immediately upon the satisfaction of the conditions set forth in Section 2 hereof and shall continue in full force and effect, notwithstanding any termination of the Waiver Extension Period pursuant to Section 1 hereof.
- (c) This Agreement shall constitute a Transaction Document within the definition thereof in the Credit Agreement.

SECTION 9. Reaffirmation of Security Interest. The Borrower hereby reaffirms as of the date hereof each and every security interest and lien granted in favor of the Collateral Agent and the Lenders under the Transaction Documents and agrees and acknowledges that such security interests and liens shall continue from and after the date hereof and shall remain in full force and effect from and after the date hereof, in each case after giving effect to the Credit Agreement as amended by the Amendment and Limited Waiver, and the obligations secured thereby and thereunder shall include the Borrower's obligations under the Credit Agreement as amended by the Amendment and Limited Waiver. Each such reaffirmed security interest and lien remains and shall continue to remain in full force and effect and is hereby in all respects ratified and confirmed.

SECTION 10. Release of Liability. In consideration for the Waiver Extension Period, each of the Borrower and the Originator, on behalf of themselves and each of their respective subsidiaries and affiliates and all of their respective predecessors, successors and assigns (individually and collectively, the "Releasers"), hereby acknowledge and agree that it does not have any claims, counterclaims, liens, demands, causes of action, controversies, offsets, obligations, losses, damages and liabilities of every kind and character whatsoever set forth in, relating to or arising out of, or in any way connected with or resulting from, the Amendment and Limited Waiver, the Credit Agreement, any other Transaction Document or otherwise (collectively, "Liabilities"), and that if any Releaser now has, or ever did have, any such Liabilities against Ambac, and/or all subsidiaries, affiliates and predecessors of Ambac, and all past and present officers, directors, agents, employees, servants, partners, shareholders, attorneys and managers of Ambac (each of the foregoing, a "Party" and, collectively, the "Parties"), such Party is hereby fully released, remised and forever discharged for, from, and against any and all Liabilities, including, without limitation, any action, omission, misrepresentation or other basis of liability founded either in tort or contract and the duties arising hereunder, that the Releasers, or any one or more of them, has had in the past, or now has, whether known or unknown, by reason of any matter, cause or thing.

SECTION 11. Successors and Assigns. The Amendment and Limited Waiver shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Except as provided in Section 10 hereof, other than the Secured Parties, there shall be no third party beneficiaries of the Amendment and Limited Waiver.

SECTION 12. Further Assurances. Each of the parties hereto hereby agrees, at the sole cost and expense of the Borrower or the Originator, to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any party hereto may reasonably require to carry into effect the purposes of the Amendment and Limited Waiver.

SECTION 13. Expenses. The Borrower and the Originator agree that their respective obligations set forth in Sections 3.03 and 3.04 of the Insurance Agreement to pay the costs and expenses of Ambac (including reasonable fees and expenses of attorneys, consultants and auditors and reasonable costs of investigations) shall extend to the preparation, negotiation, execution and delivery and enforcement of the Amendment and Limited Waiver and any other documentation contemplated hereby (whether or not this Agreement becomes effective or the provisions contemplated hereby are consummated), including, but not limited to, the fees, expenses and disbursements of Dewey & LeBoeuf LLP, Centerview Partners LLC and PricewaterhouseCoopers.

SECTION 14. Consultation with Advisors. The Borrower and the Originator acknowledge that they have consulted with counsel and with such other experts and advisors as they have deemed necessary in connection with the negotiation, execution and delivery of the Amendment and Limited Waiver. The Amendment and Limited Waiver shall be construed without regard to any presumption or any rule requiring that it be construed against the party causing the Amendment and Limited Waiver or any part hereof to be drafted.

SECTION 15. Enforceability. Should any one or more of the provisions of the Amendment and Limited Waiver be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

SECTION 16. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by any combination of the parties hereto in separate counterparts, each of which counterparts shall be an original and all of which taken together shall constitute one and the same Agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 17. Governing Law. The Amendment and Limited Waiver shall be governed by, and construed in accordance with, the law of the State of New York.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.


AMBAC ASSURANCE CORPORATION

By Michael Paker

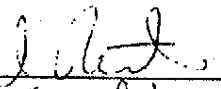
Name:

Title:

THE WEINSTEIN PORTFOLIO FUNDING COMPANY LLC

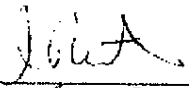
By 
Name: Steven Rader
Title: CEO, Acq. & Reg. Aff.

THE WEINSTEIN COMPANY LLC

By 
Name: Steven Rader
Title: CEO, Acq. & Reg. Aff.

Solely for purposes of Section 3 and Section 6(b):

WEINSTEIN GLOBAL FILM CORP.

By 
Name: Steven Rader
Title: CEO, Acq. & Reg. Aff.

Solely for purposes of Section 2(a) and Section 3(b) hereof:

**HSBC BANK USA, N.A.,
as Collateral Agent**

By


Name: **NELSON KERCADO**
Title: **VICE PRESIDENT**

SCHEDULE I**Specified Defaults**

1. Default: Preparation and delivery of the financial statements and reports for fiscal year 2009 pursuant to Section 5.03(b) and (c) of the Credit Agreement using Ultimates not updated for subsequent events.
2. Default: Failure to pay to the Borrower amounts owed by the Originator in respect of (i) that certain agreement between the Originator and Lifetime, dated as of February 7, 2008 and (ii) the agreed upon reconciliation of: a) Co-production equalization receipts of Miramax and Fox Searchlight, b) MGM receipts of The Great Debaters, and c) theatrical receipts of The Reader.
3. Default: Failure to Transfer the Films on Schedule II hereto in accordance with Section 2.01(d) of the Sale and Contribution Agreement.
4. Default: Failure to Release the Films listed on Schedule III in accordance with Section 2.17 of the Sale and Contribution Agreement, as described in and subject to subject to Section 6(g) hereof.
5. Event of Default: Failure to name the Collateral Agent as an additional insured under errors and omissions insurance coverage maintained by the Originator in accordance with Section 6.15 of the Master Distribution Agreement prior to the date hereof.
6. Event of Default: Failure to comply with the Dynamic Reserve Liquidity Ratio Test in accordance with the definition thereof in the Credit Agreement as of each Settlement Date occurred on April 27, 2009 through and including February 26, 2010 and the Settlement Dates occurring on March 29, 2010 and April 27, 2010.
7. Event of Default: Failure of the Borrower to provide financial statements and reports due on or prior to April 30, 2009 and April 30, 2010 in accordance with Sections 5.03(b) and (c) of the Credit Agreement.
8. Event of Default: Failure of the Borrower to provide notice to Obligor in accordance with Section 8.01(a)(ii) of the Credit Agreement prior to April 27, 2009.
9. Master Distributor Default: Failure of the Master Distributor to provide monthly reports in accordance with Section 6.1 of the Master Distribution Agreement prior to the Waiver Termination Date.
10. Master Distributor Default: Failure of the Master Distributor to provide monthly reports in accordance with Section 6.2 of the Master Distribution Agreement prior to the Waiver Termination Date.
11. Master Distributor Default: Failure of the Master Distributor to provide quarterly reports in accordance with Section 6.3 of the Master Distribution Agreement prior to the Waiver Termination Date.
12. Master Distributor Default: Failure of the Master Distributor to provide financial statements due on or prior to April 30, 2009 and April 30, 2010 in accordance with Section 6.4 of the Master Distribution Agreement.

13. Master Distributor Default: Failure of the Master Distributor to provide certificates in accordance Section 6.6 of the Master Distribution Agreement prior to the date hereof.
14. Master Distributor Default: Failure of the Master Distributor to comply with the Net Worth Test pursuant to clause (vii) of the definition of "Master Distributor Default" as of the Quarterly Settlement Dates occurred on March 27, 2009, June 27, 2009, September 28, 2009 and December 28, 2009 and the Quarterly Settlement Date occurring on March 29, 2010.
15. Partial Amortization Event: Failure to comply with the Ultimates Coverage Ratio Test pursuant to the definition of "Partial Amortization Event" as of the Quarterly Settlement Dates occurred on March 27, 2009, June 27, 2009, September 28, 2009 and December 28, 2009 and the Quarterly Settlement Date occurring on March 29, 2010.
16. Partial Amortization Event: Failure of the Master Distributor to comply with the Net Worth Test pursuant to the definition of "Partial Amortization Event" as of each Settlement Date occurred on April 27, 2009 through and including February 26, 2010 and the Settlement Dates occurring on March 29, 2010 and April 27, 2010.
17. Partial Amortization Event: Failure to comply with the Borrowing Base Test pursuant to the definition of "Partial Amortization Event" as of each Settlement Date occurred on April 27, 2009 through and including February 26, 2010 and the Settlement Dates occurring on March 29, 2010 and April 27, 2010.
18. Early Amortization Event: Failure to comply with the Ultimates Coverage Ratio Test pursuant to clause (g) of the definition of "Early Amortization Event" as of the Quarterly Settlement Dates occurred on March 27, 2009, June 27, 2009, September 28, 2009 and December 28, 2009 and the Quarterly Settlement Date occurring on March 29, 2010.
19. Early Amortization Event: Failure of the Master Distributor to comply with the Net Worth Test pursuant to clause (h) of the definition of "Early Amortization Event" as of the Quarterly Settlement Dates occurred on March 27, 2009, June 27, 2009, September 28, 2009 and December 28, 2009 and the Quarterly Settlement Date occurring on March 29, 2010.

SCHEDULE II

<u>Contributed Films</u>	<u>Maximum Distribution Expenses (in aggregate)</u>
<i>A Single Man</i>	\$4,000,000
<i>Afterwards</i>	\$75,000
<i>Battle of Wits</i>	\$150,000
<i>Everything Put Together</i>	\$25,000
<i>Lesbian Vampire Killers</i>	\$75,000
<i>Revenge</i>	\$100,000

SCHEDULE III**(A) All Films Owned by the Borrower and not Released:**

<u>Film</u>	<u>Transfer Date</u>
Dizzy & Bop's Big Adventure aka Great Music Caper	November 28, 2008
Towelhead aka Nothing is Private	February 27, 2009
Elvis and Annabelle	March 31, 2009
Roundhouse	April 30, 2009
Deuxieme Souffle	May 26, 2009
Hoodwinked 2	October 15, 2009
Nowhere Boy	November 13, 2009

(B) All Films Owned by the Borrower and not Released within 180 days of Transfer Date:

<u>Film</u>	<u>Transfer Date</u>
Dizzy & Bop's Big Adventure aka Great Music Caper	November 28, 2008
Towelhead aka Nothing is Private	February 27, 2009
Elvis and Annabelle	March 31, 2009
Roundhouse	April 30, 2009
Deuxieme Souffle	May 26, 2009

SCHEDULE IV

- (a) Agreements that Require Consent to be Assigned which Originator Will Use Commercially Reasonable Efforts to Acquire Such Consent:
1. Avail Media
 2. EchoStar Satellite
 3. HBO
 4. Jaman.com
 5. BskyB
- (b) Agreements Assigned on June 28, 2009:
1. Lifetime
 2. Warner Home Video
 3. Funmobility
 4. Twentieth Century Fox
 5. Turner Entertainment Networks
- (c) Previously Assigned Output Agreements:
- | | |
|---------------------------------|----------------------------------|
| 1. Amazon Digital Services | 11. Showtime |
| 2. Apple | 12. Sky Italia |
| 3. Blockbuster | 13. Societe Television Francaise |
| 4. Degeto Film | 14. Sony e-Platform Technologies |
| 5. Genius | 15. Star TV |
| 6. iN Demand | 16. Sundream |
| 7. The Independent Film Channel | 17. Tribune |
| 8. Microsoft | 18. Village Roadshow |
| 9. Motion Picture Distribution | 19. ZillionTV |
| 10. RAI | |

SCHEDULE V

Films in Production or Development

Projects in Production:

1. Piranha 3-D
2. Project Runway
3. Models of the Runway
4. Shanghai
5. Escape from Planet Earth
6. Hoodwinked 2
7. All Good Things
8. Nowhere Boy
9. King's Speech
10. Scream 4
11. The Tillman Story
12. Blue Valentine
13. Butter
14. Shelter
15. Off the Runway aka Austin/Santino Project

Projects in Development:

1. I Don't Know How She Does It	10. Scanners
2. August Osage County	11. 90 Days
3. Scary Movie	12. Thanksgiving Day
4. Hellraiser	13. Halloween
5. Children of the Corn	14. Bernard and the Genie
6. Silver Linings Playbook	15. Crouching Tiger, Hidden Dragon
7. Spy Kids 4	16. The Alchemist
8. Sin City	17. Short Circuit
9. An American Werewolf in London	

SCHEDULE VI**Weinstein Agreements and Compensation Arrangements with the Originator (and/or its Affiliates)**

10. HW Employment Agreement, June 30, 2005
11. BW Employment Agreement, June 30, 2005
12. Acquisition Agreement among W Acquisition Company LLC and Miramax Film Corp., March 29, 2005 (as amended on April 15, 2005, August 5, 2005 and September 14, 2005)
13. HW Loan Agreement, July 10, 2008
14. BW Loan Agreement, July 10, 2008
15. Purchase Agreement, July 2, 2008
16. Nine Agreement, July 10, 2008
17. Projects referenced in the Assignment and Assumption Agreement, May 17, 2005
18. The following titles are owned by the Robert and Harvey Weinstein and are distributed through the Originator pursuant to an oral arrangement (that can be terminated by either party at any time and for any reason) pursuant to which the Originator earns a 15% distribution fee:
 - (a) El Cid
 - (b) Fall of the Roman Empire
 - (c) the titles referenced in the Assignment and Assumption Agreement, May 17, 2005
19. The Limited Recourse Credit and Security Agreement, dated as of September 28, 2009, by and among TWC, Robert Weinstein and Harvey Weinstein jointly and severally (The Single Man Agreement)

APPENDIX A**Amendments to Transaction Documents****Amendment No. 24 and Limited Waiver**

Schedule I to Amendment No. 24 is hereby amended and restated in its entirety as set forth in Schedule I hereto.

Annex A to Transaction Documents

- (a) The following definition shall be included in Annex A to the Transaction Documents, in the appropriate alphabetical order:

“Amendment No. 25 and Limited Waiver” means that certain Amendment No. 25 and Limited Waiver, dated as of March 22, 2010, entered into by and among the Borrower, the Originator, Ambac, the Collateral Agent and Weinstein Global Film Corp., as in effect from time to time.”

- (b) The definition of “Excluded Rights” in Annex A to the Transaction Documents is hereby amended by replacing the date “March 25, 2010” therein with “May 21, 2010.”

Sale and Contribution Agreement

Section 2.01(d)(iv) of the Sale and Contribution Agreement is hereby amended by replacing the date “March 25, 2010” therein with “May 21, 2010.”

EXHIBIT B

Van Tol, Pieter

From: Sanchez, Kaleb H. [KSanchez@deweyleboeuf.com]
Sent: Tuesday, May 25, 2010 1:00 PM
To: nelson.x.kercado@us.hsbc.com; Solowsky, Adam
Cc: Reiter, Irwin; Kim, Andy; dietdenicha@sullcrom.com; Feit, Brian; Tocks, Matthew; Roman, Juan; Goodstein, Barbara
Subject: TWC - Direction Letter
Attachments: Direction Letter.pdf

Dear Nelson and Adam:

Please see the attached direction letter from Ambac in regard to the Forbearance Collateral Account.

We are available at your convenience should you have any questions.

Best regards,

Kaleb H. Sanchez
Associate
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
Direct: +1 212 259 8548
Fax: +1 212 649 1129
ksanchez@dl.com
www.dl.com

=====
Pursuant to U.S. Treasury Department Circular 230, unless we expressly state otherwise, any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties or (ii) promoting, marketing or recommending to another party any matter(s) addressed herein.

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=====

5/25/2010

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004

May 25, 2010

BY FACSIMILE AND ELECTRONIC MAIL:

HSBC Bank, USA, N.A., as Collateral Agent
452 Fifth Avenue
New York, NY 10018
Attention: Corporate Trust & Loan Agency
Facsimile: (212) 525-1300

with a copy to:

HSBC Bank, USA, N.A., as Collateral Agent
10 E. 48th Street
14th Floor
New York, NY 10016
Attention: Nelson Kercado
E-mail: nelson.x.kercado@us.hsbc.com

Lovells LLP
590 Madison Avenue
New York, NY 10022
Attention: Adam D. Solowsky
Email: adam.solowsky@lovells.com

Re: The Weinstein Portfolio Funding Company LLC – Forbearance Collateral Account

Ladies and Gentleman:

Reference is made to (i) the Credit and Security Agreement, dated as of December 23, 2005 (as amended prior to the date hereof and as otherwise amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit and Security Agreement"), among The Weinstein Portfolio Funding Company LLC ("WPFC"), The Weinstein Company LLC ("TWC"), the financial institutions and commercial paper conduits from time to time party thereto, HSBC Bank USA, N.A., as Administrative Agent and Collateral Agent, and Ambac Assurance Corporation ("Ambac") and (ii) the Amendment No. 25 and Limited Waiver, dated as of March 23, 2010 ("Amendment No. 25"), by and among WPFC, TWC, Ambac, the Collateral Agent and Weinstein Global Film Corp.


Capitalized terms used in this letter (this "Direction Letter") and not defined herein shall have the respective meanings given to such terms in the Credit and Security Agreement.

Pursuant to Section 3(b) of Amendment No. 25, the Collateral Agent is hereby directed by the Control Party, on the date hereof, to draw all amounts on deposit in the Forbearance Collateral Account on May 26, 2010 and immediately apply such funds as an optional prepayment to repay the Outstanding Amount of the Advances.

There shall be no changes to or revocation of this Direction Letter without the prior written consent of the Control Party. This Direction Letter may be revoked or rescinded, in whole or in part, at any time by, and in the sole discretion of, the Control Party by written notice to the Collateral Agent at its addresses first set forth above. This Direction Letter shall constitute a Transaction Document within the definition thereof in the Credit and Security Agreement.

Sincerely,

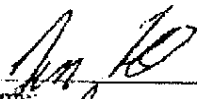
AMBAC ASSURANCE CORPORATION,
as Control Party

By: 
Name: Brian Keit
Title: MD

ACKNOWLEDGED:

SEGREGATED ACCOUNT OF AMBAC ASSURANCE CORPORATION

By: Ambac Assurance Corporation, as Manager

By: 
Name: Brian Keit
Title: MD

CC: The Weinstein Portfolio Funding Company LLC
375 Greenwich Street
New York, New York 10013
Attention: Irwin Reiter, Secretary

The Weinstein Company LLC
375 Greenwich Street
New York, New York 10013
Attention: Irwin Reiter, Executive Vice President of Financial and Accounting Reporting

EXHIBIT C

Van Tol, Pieter

From: Dietderich, Andrew G. [dietdericha@sulfcrom.com]
Sent: Tuesday, May 25, 2010 1:19 PM
To: Sanchez, Kaleb H.; nelson.x.kercado@us.hsbc.com; Solowsky, Adam
Cc: Reiter, Irwin; Kim, Andy; Feit, Brian; Tocks, Matthew; Roman, Juan; Goodstein, Barbara; Paris, Adam S.; efleck@milbank.com; Thomas H. French (tfrench@willkie.com); Frank Reddick (freddick@akingump.com)
Subject: RE: TWC - Direction Letter

Adam,

This request in violation of applicable law. It also would harm other stakeholders of TWC without benefiting Ambac. A more detailed letter will follow, but in the meantime you should be aware that this request is not made in good faith and there is a record to support that view. You should do nothing to deplete the estate of WPFC and the collateral for other lenders at the request of Dewey LeBoeuf on behalf of Ambac without first obtaining the consent of the GS, Assured and TWC.

Andy

From: Sanchez, Kaleb H. [mailto:KSanchez@deweyleboeuf.com]
Sent: Tuesday, May 25, 2010 1:00 PM
To: nelson.x.kercado@us.hsbc.com; Solowsky, Adam
Cc: Reiter, Irwin; Kim, Andy; Dietderich, Andrew G.; Feit, Brian; Tocks, Matthew; Roman, Juan; Goodstein, Barbara
Subject: TWC - Direction Letter

Dear Nelson and Adam:

Please see the attached direction letter from Ambac in regard to the Forbearance Collateral Account.

We are available at your convenience should you have any questions.

Best regards,

Kaleb H. Sanchez
Associate
Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY 10019
Direct: +1 212 259 8548
Fax: +1 212 649 1129
ksanchez@dl.com
www.dl.com

=====
Pursuant to U.S. Treasury Department Circular 230, unless we expressly state otherwise, any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties or (ii) promoting, marketing or recommending to another party any matter(s) addressed herein.

5/27/2010

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EXHIBIT D

MILBANK, TWEED, HADLEY & MCCLOY LLP

1 CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005-1413

212-530-5000

FAX: 212-530-5219

EVAN R. FLECK

PARTNER

DIRECT DIAL NUMBER

212-530-5567

FAX: 212-822-5867

E-MAIL: efleck@milbank.com

LOS ANGELES

213-892-4000

FAX: 213-629-5083

WASHINGTON, D.C.

202-635-7500

FAX: 202-635-7586

LONDON

44-20-7615-3000

FAX: 44-20-7615-3100

FRANKFURT

49-69-71914-3400

FAX: 49-69-71914-3800

MUNICH

49-89-25559-3600

FAX: 49-89-25559-3700

BEIJING

8610-5969-2700

FAX: 8610-5969-2707

HONG KONG

852-2971-4888

FAX: 852-2840-0792

SINGAPORE

65-6428-2400

FAX: 65-6428-2500

TOKYO

813-5410-2801

FAX: 813-5410-2881

May 25, 2010

VIA ELECTRONIC MAIL

Barbara M. Goodstein, Esq.
 Dewey & LeBoeuf LLP
 1301 Avenue of the Americas
 New York, NY 10019

Re: The Weinstein Portfolio Funding Company LLC – Forbearance Collateral Account

Dear Ms. Goodstein:

We represent The Weinstein Portfolio Funding Company LLC (the “WPFC”) and write to you in your capacity as counsel to Ambac Assurance Corporation (“Ambac”). Receipt of Mr. Feit’s letter of even date to HSBC Bank, USA, N.A., as Collateral Agent (the “Direction Letter”) is hereby acknowledged.

By the Direction Letter, Ambac seeks to “draw all amounts on deposit in the Forbearance Collateral Account . . . and immediately apply such funds as an optional prepayment to repay the Outstanding Amount of the Advances.” This demand is in direct contravention of Ambac’s understanding with The Weinstein Company LLC with respect to the use of such funds. Ambac agreed that the funds in the Forbearance Collateral Account would be held in escrow and used to satisfy obligations owed to certain creditors in connection with a global restructuring of WPFC’s affairs. Ambac has now stated its intention to renege on this understanding, prematurely and without cause.

WPFC and all stakeholders (other than Ambac) have an agreement in principle on a restructuring. This restructuring is premised on the intended use of funds in the Forbearance Collateral Account. The direct consequence of honoring the Direction Letter would be to remove from WPFC’s estate the liquidity it requires for a successful restructuring. Ambac is aware of WPFC’s circumstances, including the prior understanding of the parties with respect to the use of

May 25, 2010

Page 2

funds in the Forbearance Collateral Account. We therefore have difficulty regarding the Direction Letter as either reasonable or in good faith, which are requirements for the validity of the direction under New York law.

Rather than sabotage the restructuring efforts of its policy beneficiaries and the other WPFC stakeholders, Ambac should accept the standing invitation to engage with WPFC in the ongoing discussions regarding that restructuring, including with respect to the Credit and Security Agreement. No party is harmed by the preservation of funds in a segregated, secured account to be applied when there is either consensus on a restructuring or judicial resolution.

Please be advised that WPFC reserves all of its rights and remedies.

Sincerely,



Evan R. Fleck

cc: Nelson Kercado
Adam Solowsky
Irwin Reiter
Andrew Dietderich
Brian Feit
Matthew Tocks
Juan Roman

EXHIBIT E

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004

June 7, 2010

BY FACSIMILE AND ELECTRONIC MAIL:

HSBC Bank, USA, N.A., as Collateral Agent
452 Fifth Avenue
New York, NY 10018
Attention: Corporate Trust & Loan Agency
Facsimile: (212) 525-1300

with a copy to:

HSBC Bank, USA, N.A., as Collateral Agent
10 E. 48th Street
14th Floor
New York, NY 10016
Attention: Nelson Kercado
E-mail: nelson.x.kercado@us.hsbc.com

Hogan Lovells US LLP
590 Madison Avenue
New York, NY 10022
Attention: Adam D. Solowsky
Email: adam.solowsky@lovells.com

Re: The Weinstein Portfolio Funding Company LLC – Excluded Receipts Allocation

Ladies and Gentleman:

Reference is made to the Credit and Security Agreement, dated as of December 23, 2005 (as amended prior to the date hereof and as otherwise amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit and Security Agreement"), among The Weinstein Portfolio Funding Company LLC ("WPFC"), The Weinstein Company LLC ("TWC"), the financial institutions and commercial paper conduits from time to time party thereto, HSBC Bank USA, N.A., as Administrative Agent and Collateral Agent, and Ambac Assurance Corporation ("Ambac").

Capitalized terms used in this letter (this "Direction Letter") and not defined herein shall have the respective meanings given to such terms in the Credit and Security Agreement.

Pursuant to Section 8(a)(vii) of the Credit and Security Agreement, the Control Party hereby (i) informs the Collateral Agent that TWC has improperly retained as Excluded Receipts certain amounts, including without limitation the amounts set forth on Annex A hereto (as may be amended from time to time by written notice from the Control Party) (the "Reallocation Amounts") and (ii) directs the Collateral Agent to designate all funds in any Lock-Box Account that would otherwise be Excluded Receipts as Gross Receipts until such time as such redesignated Excluded Receipts equal the then-current Reallocation Amount. The designation by the Control Party of specific amounts as Reallocation Amounts

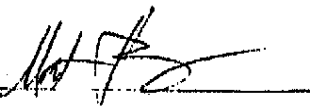
shall not be construed as acknowledgement that other amounts were not also improperly retained by TWC.

There shall be no changes to or revocation of this Direction Letter without the prior written consent of the Control Party. This Direction Letter may be revoked or rescinded, in whole or in part, at any time by, and in the sole discretion of, the Control Party by written notice to the Collateral Agent at its addresses first set forth above. This Direction Letter shall constitute a Transaction Document within the definition thereof in the Credit and Security Agreement.

Without limiting the above, please be advised that Ambac is entitled to exercise rights and remedies arising as a result of the existence of various Events of Default under the Transaction Documents. Ambac hereby reserves and preserves all of its rights and remedies under the Credit Agreement, any other Transaction Document and applicable law and equity.

Sincerely,

AMBAC ASSURANCE CORPORATION,
as Control Party


By: 
Name:
Title:

Matthew Tocks
First Vice President

ACKNOWLEDGED:

SEGREGATED ACCOUNT OF AMBAC ASSURANCE CORPORATION

By: Ambac Assurance Corporation, as Manager

By: 
Name:
Title:

Matthew Tocks
First Vice President

Annex A

Funds Improperly Retained by TWC

- (1) Improperly retained HBO funds: \$6,250,000 (see Annex A.1)

			09																				
Ambac	17	1090	The Gathering	30-Sep-08	\$ 100,000	12/15/08	\$ 100,000	\$ -	\$ 100,000	1/16/09	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -
Non-AMBAC	18	1018	Unknown, The	28-May-09	\$ 35,000	12/15/08	\$ -	\$ -	\$ 35,000	1/16/09	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 100,000	\$ -	\$ -	\$ -
Ambac	19	1479	Washed and Fossil Bender	28-May-09	\$ 35,000	12/15/08	\$ 35,000	\$ -	\$ 35,000	1/16/09	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ -
Ambac	20	1603	I Could Never Be Your Woman	28-May-09	\$ 200,000	2/1/09	\$ 200,000	\$ -	\$ 200,000	3/31/09	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambac	22	1494	The Rock	30-Sep-08	\$ 200,000	3/1/09	\$ 200,000	\$ -	\$ 200,000	4/28/09	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambac	23	1904	The Hammer	30-Sep-08	\$ 35,000	4/1/09	\$ 35,000	\$ -	\$ 35,000	5/26/09	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambac	24	1575	The Killing Game	30-Sep-08	\$ 35,000	4/1/09	\$ 35,000	\$ -	\$ 35,000	5/26/09	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambac	25	1173	The Promotion	28-Aug-08	\$ 1,000,000	4/1/09	\$ 1,000,000	\$ -	\$ -	4/28/09	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambac	27	1589	Mother of Tears	31-Mar-09	\$ 35,000	5/1/09	\$ 35,000	\$ -	\$ 35,000	6/29/2009	\$ 7,000	\$ 100,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambac	29	1396	Head Ride	29-May-08	\$ 100,000	6/1/09	\$ 100,000	\$ -	\$ 100,000	7/27/2009	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambac	31	1412	Witness of Spies	30-Sep-08	\$ 35,000	7/31/10	\$ 35,000	\$ -	\$ 35,000														
Ambac	32	1218	Maintenous Intent	30-Sep-08	\$ 35,000	7/31/10	\$ 35,000	\$ -	\$ 35,000														
Ambac	33	1335	Standing Still	28-May-08	\$ 35,000	7/31/10	\$ 35,000	\$ -	\$ 35,000														
Ambac	34	1481	I Want Someone to Eat Cheese w/	28-May-09	\$ 35,000	8/16/10	\$ 35,000	\$ -	\$ 35,000														
Ambac	28	1066	Mrs. Harrison Presents	11-May-06	\$ 50,000	5/21/10	\$ 50,000	\$ -	\$ 50,000														
Ambac	30	1017	Transylvania	27-Jan-06	\$ 150,000	6/25/10	\$ 150,000	\$ -	\$ 150,000														
Ambac	21	1414	Death Defying Acts	28-Aug-08	\$ 150,000	2/28/11	\$ 150,000	\$ -	\$ 150,000														
Ambac	1	1163	Dead or Alive	31-Aug-08	\$ 2,000,000	10/14/11	\$ 2,000,000	\$ -	\$ 2,000,000														
Ambac	26	1497	Live	31-Mar-09	\$ 35,000	4/1/09	\$ 35,000	\$ -	\$ 35,000														
Ambac	35	1181	Lowewood	28-Jan-08	\$ 200,000	9/11/12	\$ 200,000	\$ -	\$ 200,000														
Ambac	36	1697	Elis and Ambacale	31-Mar-09	\$ 45,000	7/30	\$ 45,000	\$ -	\$ 45,000														
Non-AMBAC			Chronicles of an Escape		\$ 50,000	12/15/08	\$ -	\$ -	\$ 50,000														
Ambac			El Rey de Montaña	2/17/2009	\$ 50,000	8/1/09	\$ 50,000	\$ -	\$ 50,000	10/29/2009	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-AMBAC			My Birthday Nights		\$ 50,000	12/27/10	\$ -	\$ -	\$ 50,000														
					\$ 111,290,000		\$ 111,145,000		\$ 135,500														

Total Cash Received	
1/29/08	\$ 5,450,000
1/16/09	\$ 520,000
3/31/09	\$ 285,000
4/6/09	\$ 535,000
4/28/09	\$ 1,200,000
5/12/09	\$ 50,000
5/26/09	\$ 70,000
6/29/09	\$ 7,000
7/27/09	\$ 100,000
9/29/09	\$ 35,000
10/28/2009	\$ 10,000
Total advance received	\$ 8,262,000
Pre-transfer cash	\$ 555,000
Remaining net liabilities have been reduced for:	\$ 8,262,000

40 40 40

EXHIBIT F

From: Dietderich, Andrew G. [mailto:dietdericha@sulcrom.com]
Sent: Tuesday, June 08, 2010 11:01 AM
To: Solowsky, Adam
Subject: FW: Excluded Receipts Allocation

Adam, we disagree and think this is another attempt to interfere with the contractual negotiations. No money should be moved pursuant to any instructions of Ambac without the written approval of WPFC and TWC.

EXHIBIT G

SULLIVAN & CROMWELL LLP

TELEPHONE: 1-310-712-6600
FACSIMILE: 1-310-712-8800
WWW.SULLCROM.COM

*1888 Century Park East
Los Angeles, California 90067-1725*

NEW YORK • PALO ALTO • WASHINGTON, D.C.
FRANKFURT • LONDON • PARIS
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June 9, 2010

Via E-mail

HSBC Bank, USA, N.A., as Collateral Agent
452 Fifth Avenue
New York, New York 10018

Attention: Corporate Trust & Loan Agency

Re: The Weinstein Portfolio Company LLC - Excluded Receipts
Allocation

Ladies and Gentlemen:

I write on behalf of The Weinstein Company LLC ("TWC") to respond to Ambac Assurance Corporation's ("Ambac") letter of June 7, 2010 purporting to direct HSBC Bank, USA, N.A., as Collateral Agent ("HSBC" or the "Collateral Agent") to reallocate funds that it now claims were improperly designated as Excluded Receipts (the "Direction Letter"). The Direction Letter in no way obligates HSBC to reallocate any funds. And any such reallocation would violate TWC's rights under the Transaction Documents. Accordingly, TWC directs the Collateral Agent to continue treating the funds as Excluded Receipts and to leave them in their present accounts.

Although Ambac purports to exercise its right to "direct" the Collateral Agent to designate certain funds as Gross Receipts, no such right exists under the Transaction Documents. Section 8.01(a)(vii) of the Credit and Security Agreement, dated as of December 23, 2005 (the "Credit & Security Agreement"), the provision that Ambac relies on for this purported right, provides that "within one (1) Business Day of the Collateral Agent's *receipt of information that particular funds retained by the Borrower . . . as funds constituting Excluded Receipts are Gross Receipts*, the Collateral Agent shall reallocate funds on deposit . . . that are Excluded Receipts as funds that are Gross Receipts . . ." As the mandatory language of this provision makes clear, HSBC "shall" reallocate funds only when it receives "information that particular funds retained by the Borrower" are improperly designated. This provision operates mechanically and does not give Ambac – or any other party to the transaction documents – the right to demand that funds be redesignated. Instead, it requires a reallocation only if the

HSBC Bank, USA, N.A., as Collateral
Agent

-2-

Collateral Agent receives information demonstrating that the funds were improperly designated in the first place.

Ambac, however, has failed to provide any such information and instead merely asserts that it has a right to those funds. The reason for this failure is simple: Ambac cannot dispute that it expressly agreed to TWC's treatment of the funds. Ambac's attempt to now change its story and assert control over those funds is improper. It would likewise be improper for HSBC to give credence to this claim.

Such a transfer would plainly violate TWC's rights under the Transaction Documents. Section 8.01(a)(v) of the Credit & Security Agreement gives TWC, as the Master Distributor, control over funds designated as Exclusive Receipts. Section 2.1(d) of the Master Distribution Agreement also gives TWC a security interest in those Excluded Receipts. Section 3.2(c)(i) of that agreement also expressly provides that "[n]one of the Transaction Parties (including . . . the Control Party), shall have any right, title, interest or claim, or right to set-off against, the Excluded Receipts." Accordingly, to the extent that Ambac is asserting a right to funds designated as Excluded Receipts, it is in direct contravention of the Transaction Documents.

Finally, if HSBC believes that the mechanical operation of Section 8.01 of the Credit & Security Agreement requires an exercise of discretion – which it does not – HSBC must exercise that discretion as directed by TWC. Section 9.01(a) of the Credit & Security Agreement provides that "with respect to the security interest in the Master Distributor Collateral granted pursuant to Section 2.1(d) of the Master Distribution agreement, the Collateral Agent *shall be required to act . . . upon the written instructions of the Master Distributor . . .*" Given that Ambac's actions violate TWC's security interest, HSBC is required to act upon TWC's direction. Accordingly, TWC hereby directs the Collateral Agent to leave the funds at issue as they are currently, and properly designated – *i.e.* as Excluded Receipts – and not to transfer or reallocate those funds.

Any attempt by HSBC to designate the funds as Gross Receipts or to transfer or reallocate those funds will result in irreparable harm to TWC. As you know, TWC is a going concern with employees and operations, all of which depend on those receipts to stay in business.

Sincerely,



Damion D. D. Robinson