

AMENDMENT No. 1 TO CONFIRMATION AGREEMENT

AMENDMENT NO. 1 dated as of November 18, 2010 (the “Amendment”) to the MGM/DDI Confirmation Agreement, attached as Exhibit A to the Second Amendment, dated as of October 19, 2010, to the Credit and Security Agreement dated as of September 19, 2006 (as amended, supplemented or otherwise modified, renewed or replaced from time to time, the “Credit Agreement”) is entered into by and among (i) DOMESTIC DISTRIBUTION INC. as Borrower, (“DDI”), (ii) the LENDERS named therein and (iii) JPMORGAN CHASE BANK, N.A. as Administrative Agent. All terms used but not otherwise defined herein have the meanings assigned to them in the Credit Agreement. The parties hereto hereby agree that, subject to the last paragraph hereof, the corresponding sections of the MGM/DDI Confirmation Agreement are hereby amended and restated in their entirety as follows:

Topic

Summary

1. No Default

The parties acknowledge and agree that no Default or Event of Default currently exists under the Credit Agreement, and that no MGM Event of Default currently exists under the Revenue Participation Agreement (as defined below). As of the date hereof, interest at the rate per annum specified in Section 2.7(a)(ii) [Default Interest; Alternative Rate of Interest] of the Credit Agreement shall no longer be payable by DDI for periods subsequent to the date hereof, but is payable for the period from August 1, 2010 through the date hereof.

4. Turbo-charging Waterfall

- Notwithstanding the waiver of any Default or Event of Default as set forth above, for all periods subsequent to March 31, 2010, the waterfall is turbo-charged. Subject to the next paragraph, all domestic proceeds previously retainable by MGM under Sections 4 or 5 of the Revenue Participation Agreement (other than the P&R corridor), plus the foreign amounts with regard to the UA Pictures referred to in item 6 below, will be applied to repay the Revenue Participation obligations. The “silo” limitation on crossing will be eliminated. The Agent will be allowed to apply such turbo-charged amounts on a fully crossed basis to satisfy the various Revenue Participation obligations at its discretion.
- With regard to “Quantum of Solace”, “PP2” and “Rocky”, the Accountable Receipts of each of those pictures will continue to be applied on a turbo-charged basis to repay the Revenue Participation obligations with regard to each of those pictures. Once a picture’s Revenue Participation obligations have been repaid, MGM shall be entitled to recoup the “‘fully loaded’ production budget” for that picture, and all other amounts it is entitled to recoup in respect of such picture, as provided in the definition of the term “MGM Residual Crossing Amount” in the Revenue Participation Agreement. Once MGM has recouped such

amounts, any incremental domestic proceeds of that picture on a turbo-charge basis will be available to be crossed to satisfy any outstanding Revenue Participation obligations of other pictures.


- With respect to domestic receipts, 5.5% of domestic Gross Receipts from “Hot Tub” for all media other than home video (5% for home video) is to be applied to the Minimum Crossing Corridor for all media (i.e. no turbocharged amounts from the exploitation of “Hot Tub” since MGM has deferred its distribution fee). The foregoing amount is to be computed without giving effect to the agreement between MGM and UAPF to defer the MGM distribution fee with regard to “Hot Tub”. Once that deferral terminates, 100% of the cash payments that MGM receives and is entitled to retain with regard to its distribution fee for “Hot Tub” including any deferred amounts then being paid (to the extent they exceed in the aggregate, the foregoing 5.5% or 5% theretofore applied to the Minimum Crossing Corridor), shall be applied to the Minimum Crossing Corridor.

10. Misc.

- Capitalized terms used herein and not otherwise defined shall be as defined in (i) the Amended and Restated Revenue Participation Agreement dated as of December 28, 2007 between Metro-Goldwyn-Mayer Studios Inc. (“MGM”) and DDI (as amended, the “Revenue Participation Agreement”) and (ii) the Credit Agreement.
- By executing this Confirmation Agreement Amendment, the Administrative Agent hereby reinstates MGM’s right to take actions on behalf of DDI as set forth in Section 4 of the Assignment Agreement
- The Administrative Agent confirms and acknowledges that it has received the consent of the Required Lenders to this Amendment.

Subject to the condition subsequent of the confirmation and consummation of the Debtors’ plan of reorganization (“Plan”), the provisions of this Amendment are effective on the date hereof, but shall cease to be effective for all purposes if (i) MGM fails to continue to honor its obligations under the Participation Agreement during the pendency of the Chapter 11 Case (as defined below) as contemplated by that certain *Stipulation and Interim Order (I) Authorizing Limited Use of Prepetition Collateral (of Domestic Distribution Inc. and United Artists Production Finance LLC), (II) Granting Adequate Protection, and (III) Granting Related Relief* dated November 5, 2010, (ii) MGM’s current Chapter 11 proceeding in the United States Bankruptcy Court for the Southern District of New York (Case No, 10-15774 (SMB)) (the “Chapter 11 Case”) is converted into a Chapter 7 liquidation, or (iii) the Plan does not reinstate the obligations under the Revenue Participation Agreement as modified by this Agreement.

METRO-GOLDWYN-MAYER STUDIOS INC.

By: 

Name:

Title:

**SCOTT PACKMAN
EXECUTIVE VICE PRESIDENT
& GENERAL COUNSEL**

DOMESTIC DISTRIBUTION INC., under a power
of attorney

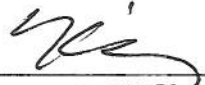
By: 

Name:

Title:

**SCOTT PACKMAN
EXECUTIVE VICE PRESIDENT
& GENERAL COUNSEL**

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and on behalf of the Required
Lenders

By: 

Name:

Title:

**Kin W. Cheng
Vice President**