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METRO-GOLDWYN-MAYER INC.  
\$500,000,000 EXIT FACILITIES  
Summary of Terms and Conditions

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I. PARTIES

- Borrower: Metro-Goldwyn-Mayer Inc., a Delaware corporation (the "Borrower"), as a reorganized debtor pursuant to Chapter 11 of the Bankruptcy Code.
- Guarantors: MGM Holdings II Inc., a Delaware corporation and holding company parent of the Borrower ("Holdings"), and each of Holdings' direct and indirect, existing and future, subsidiaries (excluding the Borrower, immaterial subsidiaries, foreign subsidiaries, special purpose subsidiaries, United Artists (as defined below) and certain other subsidiaries to be mutually agreed upon (collectively, the "Guarantors"; the Borrower and the Guarantors, collectively, the "Loan Parties").
- Sole Lead Arranger and Sole Bookrunner: J.P. Morgan Securities LLC (in such capacity, the "Arranger").
- Sole Administrative Agent: JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank" and, in such capacity, the "Administrative Agent").
- Lenders: A syndicate of banks, financial institutions and other entities, including without limitation, certain of the lenders under the Borrower's prepetition credit agreement arranged by the Arranger (collectively, the "Lenders").

II. TYPES AND AMOUNTS OF CREDIT FACILITIES

A. Term Facilities

- Type and Amount: A six-year term loan facility (the "Term Facility") in an amount to be determined but, when aggregated with the amount of Revolving Commitments, to equal \$500.0 million (the loans thereunder, the "Term Loans"). The Term Loans shall be repayable in equal quarterly installments in an aggregate amount of 1% of the Term Facility for each 12-month period.
- Availability: The Term Loans shall be made in a single drawing on the Closing Date.

## B. Revolving Facility

- Type and Amount: A five-year revolving facility (the “Revolving Facility”; the commitments thereunder, the “Revolving Commitments” and together with the Term Facility, the “Facilities”) in an amount to be determined but, when aggregated with the original principal amount of Term Facility, to equal \$500.0 million (the loans thereunder, the “Revolving Loans”; and together with the Term Loans, the “Loans”).
- Availability: The Revolving Facility shall, subject to the borrowing base described below, be available on a revolving basis during the period commencing on the Closing Date and ending on the date that is five years after the Closing Date (the “Revolving Termination Date”).
- Maturity: The Revolving Termination Date.
- Letters of Credit: A portion of the Revolving Facility not in excess of an amount to be mutually agreed upon shall be available for the issuance of letters of credit (the “Letters of Credit”) by JPMorgan Chase Bank and any other Lender approved by the Borrower and the Administrative Agent (in such capacity, the “Issuing Lender”). The Letters of Credit shall be denominated in U.S. Dollars and such other currencies to be agreed upon. No Letter of Credit shall have an expiration date after the earlier of (a) one year after the date of issuance and (b) five business days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year tenor may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (b) above unless cash collateralized on terms reasonably satisfactory to the Issuing Lender).
- Drawings under any Letter of Credit shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of Revolving Loans) on the same business day (or on the next business day if notice of such drawing is received after 10:00 a.m. on such business day). To the extent that the Borrower does not so reimburse the Issuing Lender, the Lenders under the Revolving Facility shall be irrevocably and unconditionally obligated to fund participations in the reimbursement obligation on a pro rata basis.
- Purpose: The proceeds of the Loans shall be used (a) to fund payments under the Joint Prepackaged Plan of Reorganization of Metro-Goldwyn-Mayer Studios Inc. and Certain of its Affiliates dated October 7, 2010 (as amended from time to time with the consent of the Administrative Agent, the “Plan”), (b) for fees and expenses related to the foregoing and (c) for working capital and other general corporate purposes of Holdings and its subsidiaries.

### III. BORROWING BASE

Borrowing Base and Other Limitations:

Borrowings under the Revolving Commitment, when added to the outstanding principal amount of the Term Loans, shall not exceed a borrowing base consisting of (i) a 50-100% advance rate against eligible receivables (net of third-party payments), with advance rates based on credit quality, caps and eligibility criteria to be mutually determined and (ii) a 25% advance rate against an independently appraised library value (exclusive of eligible receivables described in clause (i)).

### IV. CERTAIN PAYMENT PROVISIONS

Fees and Interest Rates:

As set forth on Annex I.

Optional Prepayments and Reductions:

The Borrower may at any time, and from time to time, reduce the outstanding obligations in minimum amounts to be mutually agreed upon. Optional prepayments of the Term Loans shall be applied to the Term Loans and to the installments thereof in a manner to be agreed upon. Optional prepayments of the Term Loans may not be reborrowed.

Mandatory Prepayments and Reductions:

The following shall be applied to the outstanding obligations:

(a) 100% of the net proceeds of any incurrence of indebtedness after the Closing Date by Holdings or any of its restricted subsidiaries (other than permitted indebtedness to be agreed upon).

(b) 100% of the net proceeds of any sale or other disposition (including as a result of casualty or condemnation) by Holdings or any of its restricted subsidiaries outside the ordinary course of business and subject to certain other exceptions (including, without limitation, provision for a reinvestment period) to be mutually agreed upon.

All such amounts shall be applied in a manner to be agreed upon. Mandatory prepayments of the Term Loans shall be applied to the installments thereof in a manner to be agreed upon. Mandatory prepayments of the Term Loans may not be reborrowed. The Loans shall be prepaid and the Letters of Credit shall be cash collateralized or replaced to the extent such extensions of credit exceed (i) the sum of the Revolving Commitment, plus the outstanding Term Loans or (ii) the then-current Borrowing Base in the following order: first, to prepay the Revolving Loans (without any reduction in Revolving Commitments), second, to cash collateralize Letters of Credit, and third, to prepay the Term Loans.

V. COLLATERAL

The obligations of each Loan Party in respect of the Facilities and any swap agreements or cash management services provided by any Lender (or any affiliate of a Lender) shall be secured by a perfected first priority security interest in substantially all of its tangible and intangible assets (including, without limitation, intellectual property, real property and all of the capital stock of the Borrower and each of the direct subsidiaries of each Loan Party (limited, in the case of foreign subsidiaries, to 66% of the capital stock of first tier foreign subsidiaries)), except for (x) assets subject to permitted liens existing on the Closing Date and constituting first priority security interests to be mutually agreed, (y) those assets as to which the Administrative Agent shall determine in consultation with the Borrower that the cost of obtaining a security interest therein are excessive in relation to the value of the security to be afforded thereby and (z) such other assets as may be agreed between the Administrative Agent and the Borrower. Notwithstanding any other provision contained herein, the Loan Parties shall not be required to pledge, and the Lenders shall not take a security interest in, assets that the Loan Parties are prohibited by contract as existing on the Closing Date from encumbering.

VI. CERTAIN CONDITIONS

## Initial Conditions:

The availability of the Facilities shall be conditioned upon the satisfaction of conditions precedent usual for facilities and transactions of this type, including without limitation, the following conditions (the date upon which all such conditions precedent shall be satisfied, the "Closing Date"):

(a) The confirmation order confirming the Plan, in form and substance reasonably satisfactory to the Administrative Agent, shall have been entered, shall be in full force and effect shall not have been reversed or modified and shall not be stayed or subject to a motion to stay. No provision of the Plan shall have been amended, supplemented or otherwise modified in any material respect that is adverse to the Lenders without the prior consent of the Administrative Agent. The effective date under the Plan shall have occurred (and all conditions precedent thereto as set forth therein shall have been satisfied). The documentation to effect the Plan shall have satisfactory terms and conditions, and no provision of such documentation shall have been waived, amended, supplemented or otherwise modified in any material respect without approval of the Administrative Agent.

(b) Each Loan Party shall have executed and delivered definitive financing documentation with respect to the Facilities consistent with this Term Sheet, including without limitation, collateral documents and customary closing certificates (including corporate resolutions authorizing the Facilities and the transactions contemplated hereby) satisfactory to the Administrative Agent, the Borrower and the Lenders (the "Credit Documentation").

(c) The Lenders, the Administrative Agent and the Arranger shall have received all fees required to be paid by any Loan Party, and all expenses required to be paid by any Loan Party, in each case for which invoices have been presented, on or before the Closing Date.

(d) All governmental and third party approvals necessary in connection with the financing contemplated hereby and the continuing operations of Holdings and its subsidiaries (including shareholder approvals, if any) shall have been obtained on satisfactory terms and shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the Facilities or, any of the transactions contemplated hereby.

(e) The Borrower shall have delivered (i) satisfactory audited consolidated financial statements of Holdings and its subsidiaries for the three most recent fiscal years as to which such financial statements are available on the Closing Date and (ii) satisfactory unaudited interim consolidated financial statements of Holdings and its subsidiaries for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available.

(f) The Borrower shall have delivered a satisfactory pro forma consolidated balance sheet of Holdings and its subsidiaries as at the date of the most recent consolidated balance sheet delivered pursuant to the preceding paragraph adjusted to give effect to the financings contemplated hereby as if such transactions had occurred on such date.

(g) The Borrower shall have delivered satisfactory projections through 2016.

(h) The Administrative Agent shall have received the results of a recent lien search in each relevant jurisdiction with respect to Holdings, the Borrower, and their subsidiaries, and such search shall reveal no liens on any of the assets of Holdings, the Borrower and their subsidiaries except for liens permitted by the Credit Documentation or liens to be discharged on or prior to the Closing Date pursuant to documentation reasonably satisfactory to the Administrative Agent.

(i) All documents and instruments required to perfect the Administrative Agent's first priority security interest in the collateral under the Facilities (including delivery of stock certificates constituting Collateral and undated stock powers executed in blank) shall have been executed and be in proper form for filing, and other customary documentation to the extent reasonably requested by it.

(j) The Administrative Agent shall have received a reasonably satisfactory (i) independent review prepared by a firm reasonably satisfactory to the Administrative Agent with respect to the receivables of the Borrower and its subsidiaries included in the Borrowing Base and (ii) independent valuation prepared by a firm, and with such

methodology, reasonably satisfactory to the Administrative Agent with respect to the film library of the Borrower and its subsidiaries included in the Borrowing Base.

(k) The Administrative Agent shall have received a customary solvency certificate from the chief financial officer of Holdings that shall document the solvency of Holdings and its subsidiaries on a consolidated basis after giving effect to the Plan and the other transactions contemplated hereby.

(l) The Borrower shall have used commercially reasonable efforts to obtain corporate ratings and ratings for the Facilities from Moody's Investors Service, Inc. ("Moody's") and from Standard & Poor's Financial Services LLC ("S&P").

(m) The Administrative Agent shall have received such legal opinions from counsel to Holdings and its subsidiaries and as are customary for transactions of this type.

(n) The Lenders shall have received Patriot Act and "know your customer"/anti-money laundering documentation and information reasonably requested by the Lenders in writing at least five business days prior to the Closing Date.

On-Going Conditions:

The making of each extension of credit shall be conditioned upon (a) the accuracy in all material respects of all representations and warranties in the Credit Documentation (including, without limitation, the material adverse change and litigation representations) and (b) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit. As used herein and in the Credit Documentation a "material adverse change" shall mean any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the business, results of operations, property or financial condition of Holdings and its subsidiaries taken as a whole, provided that, for purposes of the closing and initial funding of the Facilities, nothing as disclosed in the Disclosure Statement filed in connection with the Plan, shall, in any case, be deemed to constitute a "material adverse change" pursuant to this clause (a), or (b) the validity or enforceability of any material provision under any of the Credit Documentation or the rights and remedies of the Administrative Agent and the Lenders thereunder.

VII. CERTAIN DOCUMENTATION MATTERS

The Credit Documentation shall contain representations, warranties, covenants and events of default (in each case, applicable to Holdings and its restricted subsidiaries) ) customary for financings of this type and other terms to be agreed upon, including, without limitation:

Representations and Warranties:	To include: financial statements (including pro forma financial statements); absence of undisclosed liabilities; no material adverse change; corporate existence; compliance with law; corporate power and authority; enforceability of Credit Documentation; no conflict with law or contractual obligations; no material litigation; no default; ownership of property; liens; intellectual property; taxes; Federal Reserve regulations; labor matters, ERISA; Investment Company Act and other regulations; subsidiaries; use of proceeds; environmental matters; accuracy of disclosure; creation and perfection of security interests; solvency on a consolidated basis; Regulation H; and delivery of certain documents.
Affirmative Covenants:	To include: delivery of financial statements, quarterly film ultimates for newly-released pictures, reports, accountants' letters, annual projections, borrowing base certificates, officers' certificates and other information reasonably requested by the Lenders; library valuation by an independent appraiser, and with such methodology, reasonably satisfactory to the Administrative Agent on an annual basis or more frequently, if necessary; annual independent review prepared by a firm reasonably satisfactory to the Administrative Agent with respect to the receivables in the Borrowing Base; Lender calls no less frequently than every quarter, if requested; payment of taxes and other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Lenders, through the Administrative Agent, to inspect property and books and records; notices of defaults, litigation and other material events; compliance with environmental laws; further assurances (including, without limitation, with respect to security interests in after-acquired property); commercially reasonable efforts to maintain ratings of the Facilities and corporate ratings from Moody's and S&P; and agreement to obtain interest rate protection with regard to certain amounts outstanding under the Term Facility to be mutually agreed.
Financial Covenants:	To include: (i) minimum library cash flow to interest expense ratio, (ii) limitation on annual production expenditures, overhead and development expenditures, (iii) maximum borrowed funds to library cash flow ratio, (iv) minimum library cash flow and (v) a projected liquidity test (in each case calculated on a trailing twelve month basis, subject to definitions, levels and amounts to be mutually agreed upon, and to be tested quarterly).

- Negative Covenants:** To include limitations on: indebtedness (including guarantee obligations, but excluding negative pickup obligations and similar obligations with respect to the acquisition of film rights); liens; mergers, consolidations, liquidations and dissolutions; sales of assets; dividends and other payments in respect of capital stock; capital expenditures; acquisitions, investments, loans and advances; prepayments and modifications of subordinated and other material debt instruments; transactions with affiliates; changes in fiscal year (with the expectation that the Borrower shall have a 12/31 fiscal year end); hedging arrangements; negative pledge clauses and clauses restricting subsidiary distributions; changes in lines of business; and amendments to certain material agreements.
- Events of Default:** To include: nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period to be mutually agreed upon; material inaccuracy of a representation or warranty when made; violation of a covenant (subject, in the case of certain affirmative covenants, to a 30-day grace period); cross-default to material indebtedness; bankruptcy events; certain material ERISA events; material monetary judgments; actual or asserted invalidity of guarantee or security documents; existence and terms of changes in senior executives to be agreed upon; and a change of control (the definition of which is to be mutually agreed upon).
- Unrestricted Subsidiary:** The Borrower will be permitted to designate United Artists Entertainment LLC (“United Artists”), currently a 65%-owned subsidiary of the Borrower, and each subsidiary of United Artists, as an unrestricted subsidiary. After the Closing Date (and for the avoidance of doubt, without regard to any investments or other contributions made by the Borrower or any of its subsidiaries prior to the Closing Date), except as permitted by the general baskets available under the covenants contained in the credit agreement governing the Facilities, neither the Borrower nor any of its subsidiaries will have made any investment in, or transferred any assets to, United Artists other than cash and a license from the Borrower to use the “United Artists” trademark. As unrestricted subsidiaries, United Artists and its subsidiaries will not be subject to the mandatory prepayment provisions, representations and warranties, affirmative or negative covenants or event of default provisions of the Credit Documentation, and will be disregarded for the purposes of financial calculations, and it will not be a “Group Member” (as defined in the Credit Documentation). Capital stock of United Artists owned by any Loan Party, and any intercompany notes owing by United Artists to any Loan Party, will be included as Collateral.
- Voting:** Amendments and waivers with respect to the Credit Documentation shall require the approval of Lenders holding more than 50% of the aggregate amount of the Term Loans and Revolving Commitments, except that (a) the consent of each Lender directly affected thereby shall be required with respect to (i) reductions in the amount or extensions of the scheduled date of any amortization or final maturity of any Loan, (ii) reductions in the rate of interest or any fee or extensions of any due date thereof, (iii) increases in the amount or



extensions of the expiry date of any Lender's commitment and (iv) reductions of any voting percentage and (b) the consent of 100% of the Lenders shall be required with respect to (i) releases of all or substantially all the collateral and (ii) releases of all or substantially all the Guarantors (in the case of each of the foregoing clauses (i) and (ii), other than in connection with any permitted disposition or asset sale). In addition, "class" voting requirements will apply to modifications affecting customary certain matters. With respect to certain voting issues which require the approval of 100% of the Lenders or 100% of the Lenders affected thereby, the Borrower shall be permitted to replace any Lender which does not consent to such matters in the event that the Borrower otherwise receives consent from a percentage of Lenders to be determined.

**Assignments and Participations:** The Lenders shall be permitted to assign all or a portion of their Loans and commitments with the consent, not to be unreasonably withheld, of (a) the Borrower, unless (i) the assignee is a Lender, an affiliate of a Lender or an approved fund or (ii) a payment or bankruptcy event of default has occurred and is continuing, (b) the Administrative Agent, unless a Term Loan is being assigned to a Lender, an affiliate of a Lender or an approved fund, and (c) each Issuing Lender, unless a Term Loan is being assigned. Non-pro rata assignments shall be permitted. In the case of partial assignments (other than to another Lender, an affiliate of a Lender or an approved fund), the minimum assignment amount shall be \$1,000,000 (in the case of the Term Facility) and \$5,000,000 (in the case of the Revolving Facility), in each case unless otherwise agreed by the Borrower and the Administrative Agent. The Administrative Agent shall receive a processing and recordation fee from the assignee or the assignor of \$3,500 in connection with all assignments. The Lenders shall also be permitted to sell participations in their Loans. Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions subject to customary limitations. Voting rights of participants shall be limited to those matters set forth in clause (a) under "Voting" with respect to which the affirmative vote of the Lender from which it purchased its participation would be required. Pledges of Loans in accordance with applicable law shall be permitted without restriction.

**Yield Protection:** The Credit Documentation shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for "breakage costs" incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex I) on a day other than the last day of an interest period with respect thereto.

**Expenses and Indemnification:** The Borrower shall pay (a) all reasonable and documented out-of-pocket expenses of the Administrative Agent and the Arranger associated with the syndication of the Facilities and the preparation, execution, delivery and administration of the Credit Documentation and any amendment or waiver with respect thereto (including the

reasonable and documented fees, disbursements and other charges of counsel and appraisers) and (b) all reasonable and documented out-of-pocket expenses of the Administrative Agent and the Lenders (including the fees, disbursements and other charges of counsel and appraisers) in connection with the enforcement of the Credit Documentation.

The Administrative Agent, the Arranger and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof, except to the extent they are found by a final judgment of a court to arise from the gross negligence or willful misconduct of the relevant indemnified person.

Governing Law and Forum: State of New York.

Counsel to the Administrative Agent and the Arranger: Simpson Thacher & Bartlett LLP.

INTEREST AND CERTAIN FEES

Interest Rate Options:

The Borrower may elect that the Loans comprising each borrowing bear interest at a rate per annum equal to (a) the ABR plus an applicable margin to be agreed upon or (b) the Eurodollar Rate plus an applicable margin to be agreed upon.

As used herein:

“ABR” means the highest of (i) the rate of interest publicly announced by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City (the “Prime Rate”), (ii) the federal funds effective rate from time to time plus 0.5% and (iii) the Eurodollar Rate for a one month interest period plus 1.0%.

“Eurodollar Rate” means the rate (adjusted for statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits for a period equal to one, two, three or six months (as selected by the Borrower) appearing on Reuters Screen LIBOR 01; provided, however, that notwithstanding the rate calculated in accordance with the foregoing, at no time shall the Eurodollar Rate for the Term Facility be deemed to be less than a floor to be agreed upon.

Interest Payment Dates:

In the case of Loans bearing interest based upon the ABR (“ABR Loans”), quarterly in arrears.

In the case of Loans bearing interest based upon the Eurodollar Rate (“Eurodollar Loans”), on the last day of each relevant interest period and, in the case of any interest period longer than three months, on each successive date three months after the first day of such interest period.

Commitment Fee:

The Borrower shall pay a commitment fee calculated at a rate per annum equal to 0.50% on the average daily unused portion of the Revolving Facility, payable quarterly in arrears.

Letter of Credit Fees:

The Borrower shall pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility on the face amount of each such Letter of Credit. Such fee shall be shared ratably among the Lenders participating in the Revolving Facility and shall be payable quarterly in arrears.

A fronting fee calculated at a rate per annum to be mutually agreed on the face amount of each Letter of Credit shall be payable quarterly in arrears to the Issuing Lender for its own account. In addition, customary administrative, issuance, amendment, payment and negotiation charges shall be payable to the Issuing Lender for its own account.

**Default Rate:** At any time when the Borrower is in default in the payment of any amount of principal due under the Facilities, all outstanding Loans shall bear interest at 2% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to the relevant ABR Loans.

**Rate and Fee Basis:** All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed.