Execution Version

INVESTMENT AGREEMENT

by and among

MGM HOLDINGS INC.

C/G ACQUISITION LLC

CYPRESS ENTERTAINMENT GROUP, INC.

GAROGE, INC.

SPYGLASS ENTERTAINMENT HOLDINGS, LLC

the UNDERSIGNED C/G STOCKHOLDERS identified herein and party hereto

and

the MANAGEMENT STOCKHOLDERS identified herein and party hereto

Dated as of October 6, 2010

Table of Contents

Page

List of Exhibits

INVESTMENT AGREEMENT

THIS INVESTMENT AGREEMENT (together with all exhibits and schedules hereto, the "Agreement"), dated as of October 6, 2010, by and among MGM Holdings Inc., a Delaware corporation ("Parent"), C/G Acquisition LLC, a Delaware limited liability company and a wholly-owned subsidiary of Parent ("Merger Sub"), Cypress Entertainment Group, Inc., a Delaware corporation ("Cypress"), Garoge, Inc., a Delaware corporation ("Garoge" and, together with Cypress, "C/G"), Spyglass Entertainment Holdings, LLC, a Delaware limited liability company ("Spyglass"), the undersigned stockholders of C/G set forth on the signature pages hereto (the "Undersigned C/G Stockholders") and, solely for purposes of Sections 7.6, 9.11 and 10.2, the management stockholders set forth on the signature pages hereto (the "Management Stockholders").

WHEREAS, Parent and certain of its affiliates and subsidiaries set forth in the Plan (as defined below) will restructure their capital structure through a pre-packaged joint plan of reorganization filed in connection with voluntary chapter 11 cases (the "Chapter 11 Cases") under 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, pursuant to the Plan, Parent will cancel all of its existing and outstanding securities;

WHEREAS, Parent, Merger Sub and C/G have agreed to engage in a business combination simultaneously with the Closing (defined below), whereby C/G will be merged with and into Merger Sub, with Merger Sub continuing as the surviving limited liability company of such merger and a directly or indirectly wholly-owned subsidiary of Parent (and as a disregarded entity separate from Parent as contemplated by Treasury Regulations Section 301.7701-3) in accordance with the terms and conditions of this Agreement;

WHEREAS, in accordance with the terms and conditions herein, Spyglass has agreed to contribute, transfer, convey, assign, grant and deliver, or cause to be contributed, transferred, conveyed, assigned, granted and delivered, all of the Contributed Assets (as defined herein) to Parent or any directly or indirectly wholly-owned limited liability company subsidiary thereof (that is disregarded as an entity separate from Parent as contemplated by Treasury Regulations Section 301.7701-3) as directed by Parent reasonably prior to the Closing (the "Designated Subsidiary"), and Parent has agreed to assume, pay, perform and discharge, or cause the Designated Subsidiary to assume, pay, perform and discharge, the Assumed Liabilities (as defined herein);

WHEREAS, subject to the terms and conditions of this Agreement and the Plan, Parent intends to cause its subsidiaries to (i) convert the outstanding principal amount and any accrued but unpaid interest under the Credit Agreement (as defined below) into new common stock of Parent ("Parent Common Stock") upon the Closing (the "Debt Conversion"), (ii) issue to Spyglass a certain amount of Parent Common Stock in exchange for the Contribution (as defined below) and (iii) issue to the Undersigned C/G Stockholders a certain amount of Parent Common Stock in connection with the Mergers (as defined below);

WHEREAS, the respective boards of directors of Parent and C/G and the sole managing member of Merger Sub have approved and declared advisable the Mergers upon the terms and conditions of this Agreement and in accordance with, as applicable, the Delaware General Corporation Law (the "DGCL") and the Delaware Limited Liability Company Act (the "DLLCA");

WHEREAS, it is intended that, for United States federal income tax purposes (i) each Merger shall qualify as a wholly tax-deferred (other than in respect of the receipt of cash in lieu of fractional shares pursuant to Section 4.4) "reorganization" within the meaning of Section 368(a)(1)(A) of the Code, (ii) this Agreement shall constitute a plan of reorganization within the meaning of Treasury Regulations Section 1.368-2(g), and (iii) the Contribution (as defined below) and the Debt Conversion, taken together, as part of an integrated plan, shall qualify as a wholly tax-deferred (other than in respect of the receipt of cash in lieu of fractional shares pursuant to Section 4.4) contribution described in Section 351 of the Code; and

WHEREAS, the parties acknowledge that consummation of the Mergers, the Contribution and the other transactions contemplated by this Agreement, including, without limitation, the entering into of the Employment Agreements, the Stockholder Agreement and the Registration Rights Agreement (collectively, the "Contemplated Transactions") are subject to the approval of the Bankruptcy Court and the entry of an order confirming the Plan (the "Confirmation Order").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, and agreements set forth herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used herein, the following terms shall have the following meanings for all purposes of this Agreement:

"Accountant" shall have the meaning set forth in Section 10.4(e)(i).

"Acquisition Proposal" shall mean a proposal or offer for (i) any merger, consolidation, share exchange, recapitalization, reorganization, business combination or similar transaction involving Parent or any of the MGM Companies; (ii) any sale, lease, exchange, license, mortgage, transfer or other disposition, in a single transaction or series of related transactions, of assets representing all or substantially all of the assets of the MGM Companies, taken as a whole; (iii) the sale of equity interests representing, individually or in the aggregate, thirty percent (30%) or more of the voting power of Parent; or (iv) any transaction or series of transactions which requires as a term or condition of such transaction (or as a practical consequence thereof), the termination of this Agreement and the Contemplated Transactions.

"Administrative Agent" shall mean JPMorgan Chase Bank, N.A. in its capacity as administrative agent under the Credit Agreement.

"Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or under common control with, such specified Person; provided, that any portfolio companies under common control with such specified Person shall not be deemed an Affiliate of such specified Person. For the purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through ownership of voting securities or by contract or otherwise.

"Agreement" shall have the meaning set forth in the preamble.

"Assumed Contracts" shall have the meaning set forth in Section 3.1(a).

"Assumed Elements" shall have the meaning set forth in Section 3.1(b).

"Assumed IP" shall have the meaning set forth in Section 3.1(c).

"Assumed Liabilities" shall have the meaning set forth in Section 3.3.

"Bankruptcy and Equity Exception" shall have the meaning set forth in Section 5.2.

"Bankruptcy Code" shall have the meaning set forth in the recitals.

"Bankruptcy Court" shall have the meaning set forth in the recitals.

"Board of Directors" shall mean the board of directors of Parent (or the reorganized Parent, as the case may be).

"Break-Up Fee" shall have the meaning set forth in Section 9.10(d).

"Break-Up Fee Event" shall have the meaning set forth in Section 9.10(d).

"Break-Up Fee Order" shall have the meaning set forth in Section 9.9(a)(iv).

"Business Day" shall mean any day, other than a Saturday, Sunday and any day which is a legal holiday under the Laws of the State of New York or the State of California, or is a day on which banking institutions located in either such state are authorized or required by Law or other governmental action to close.

"Cancelled Shares" shall have the meaning set forth in Section 4.6.

"Cash Collateral Priority Obligation" means a claim of the Administrative Agent (on behalf of the lenders under the Credit Agreement) arising from the use of such lenders' cash collateral in the Chapter 11 Cases to the extent allowed as a superpriority administrative claim by order of the Bankruptcy Court pursuant to section 507(b) of the Bankruptcy Code.

"Certificate of Merger" shall have the meaning set forth in Section 2.3.

"C/G" shall have the meaning set forth in the preamble.

"C/G Benefit Plan" shall mean each C/G Pension Plan, C/G Welfare Plan and any other plan, fund, program, arrangement or agreement (including any employment or consulting agreement) to provide employees, directors, independent contractors, consultants, officers or agents with medical, health, disability, life, bonus, incentive, stock or stock-based right (option, ownership or purchase), retirement, deferred compensation, severance, change in control, salary continuation, vacation, sick leave, fringe, incentive insurance or other benefits, maintained, or contributed to, or required to be contributed to, by any of the C/G Companies for the benefit of any current or former independent contractors, consultants, agents, employees, officers or directors of the C/G Companies.

"C/G Companies" shall mean C/G and their respective Subsidiaries.

"C/G Disclosure Schedule" shall have the meaning set forth in Article V.

"C/G Elements" shall mean all Elements relating to the C/G Library Films owned by the C/G Companies or with respect to which the C/G Companies have laboratory access letters.

"C/G Films in Progress" shall have the meaning set forth in Section 5.12(f)(i).

"C/G Foreign Plan" shall mean each C/G Benefit Plan that is governed by the Laws or applicable customs or rules of relevant jurisdictions other than the United States.

"C/G Intercompany Loans" shall mean any loan arrangements between two Persons that are each direct or indirect wholly-owned subsidiaries of C/G.

"C/G Library Films" shall have the meaning set forth in Section 5.12(a).

"C/G Organizational Documents" shall have the meaning set forth in Section 5.1(a).

"C/G Pension Plan" shall mean "employee pension benefit plan" (as defined in Section 3(2) of ERISA) maintained, or contributed to, or required to be contributed to, by any of the C/G Companies for the benefit of any current or former independent contractors, consultants, agents, employees, officers or directors of any of the C/G Companies.

"C/G Significant Unproduced Properties" shall have the meaning set forth in Section 5.12(f)(ii).

"C/G/S Material Adverse Effect" means any change, event, occurrence, condition, circumstance, development or effect that, individually or in the aggregate has had, or would reasonably be expected to have, a material adverse effect on the business,

properties, assets, liabilities, condition (financial or otherwise) or results of operations of Target, taken as a whole, or that would reasonably be expected to materially delay or materially adversely affect the ability of C/G, the Undersigned C/G Stockholders or Spyglass to consummate the Contemplated Transactions; provided, however, that any change, event, occurrence, condition, circumstance, development or effect that is (i) primarily caused by conditions affecting the United States economy generally or the economy of any nation or region in which any of the C/G Companies or Spyglass conducts business that is material to the business of such entities, taken as a whole, shall not be taken into account in determining whether there has been or would be a "C/G/S Material Adverse Effect", (ii) primarily caused by conditions generally affecting the entertainment industry shall not be taken into account in determining whether there has been or would be a "C/G/S Material Adverse Effect", and (iii) primarily caused by the announcement or pendency of the Transaction Documents or the Contemplated Transactions shall not be taken into account in determining whether there has been or would be a "C/G/S Material Adverse Effect"; it being understood and agreed that the foregoing exclusions described in clauses (i) and (ii) shall not apply to the extent that the applicable changes, events, occurrences, conditions, circumstances, developments or effects described therein have or would reasonably be expected to have a materially disproportionate adverse effect on Target, taken as a whole, as compared to any other Persons engaged in the same business.

"C/G Subsidiary Organizational Documents" shall have the meaning set forth in Section 5.1(a).

"C/G Trusts" means the Undersigned C/G Stockholders (except Jonathan Glickman).

"C/G Welfare Plan" shall mean "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) maintained, or contributed to, or required to be contributed to, by the C/G Companies for the benefit of any current or former independent contractors, consultants, agents, employees, officers or directors of the C/G Companies.

"Chapter 11 Cases" shall have the meaning set forth in the recitals.

"Class A Common Stock" shall have the meaning set forth in Section 8.3(a).

"Class B Common Stock" shall have the meaning set forth in Section 8.3(a).

"Closing" shall have the meaning set forth in Section 2.2.

"Closing Date" shall have the meaning set forth in Section 2.2.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Group" shall have the meaning set forth in Section 9.11(a)(i)(1).

"Competing Proposal" shall have the meaning set forth in Section 9.10(a).

"Competitive Business" shall have the meaning set forth in Section 9.11(a)(i)(1).

"Competition Disclosure" shall have the meaning set forth in Section 9.10(c).

"Confidentiality Agreements" shall have the meaning set forth in Section 9.12.

"Confirmation Order" shall have the meaning set forth in the recitals.

"Contemplated Transactions" shall have the meaning set forth in the recitals.

"Contract" shall mean any note, bond, mortgage, indenture, lease, sublease, license, purchase order, permit, concession, franchise, contract, agreement, insurance policy, undertaking, commitment, instrument or other binding arrangement or obligation, express or implied, inclusive of any amendment, that is binding on any Person or any part of its property under applicable Law.

"Contributed Assets" shall have the meaning set forth in Section 3.1.

"Contribution" shall have the meaning set forth in Section 3.1.

"Contribution Consideration" shall have the meaning set forth in Section 4.1(b).

"Credit Agreement" shall mean the Credit Agreement, dated as of April 8, 2005 (as amended, supplemented or otherwise modified from time to time), by and among MGM Holdings II Inc., Metro-Goldwyn-Mayer Inc., as Borrower, the lenders party thereto, Bank of America, N.A., Citicorp USA, Inc. and The Royal Bank of Scotland PLC, as Documentation Agents, Credit Suisse, as Syndication Agent, and JPMorgan Chase Bank, N.A., as Administrative Agent, and the swap agreements related thereto.

"Cypress" shall have the meaning set forth in the preamble.

"Cypress Common Stock" shall have the meaning set forth in Section 4.1(a)(i).

"Cypress Exchange Ratio" shall have the meaning set forth in Section 4.1(a)(i).

"Cypress Merger Consideration" shall have the meaning set forth in Section 4.1(a)(i).

"Cypress/Garoge Balance Sheet Date" shall have the meaning set forth in Section 5.6.

"Cypress/Garoge Common Stock" shall have the meaning set forth in Section 4.1(a)(ii).

"Cypress/Garoge Contract" shall have the meaning set forth in Section 5.8(a)(i).

"Cypress/Garoge Financial Statements" shall have the meaning set forth in Section 5.6.

"Cypress/Garoge Intellectual Property" shall have the meaning set forth in Section 5.11(a).

"Cypress/Garoge Organizational Documents" shall have the meaning set forth in Section 5.1(a).

"Cypress/Garoge Stockholder Representative" shall mean Spyglass Entertainment Group, LLC or its designee.

"Cypress/Garoge Stockholders" shall mean those Persons who on the date of this Agreement are holders of the Cypress/Garoge Common Stock.

"Debt Conversion" shall have the meaning set forth in the recitals.

"Designated Subsidiary" shall have the meaning set forth in the recitals.

"Development Projects" shall mean any and all Films that have been proposed to be developed, produced or acquired by or on behalf of an entity, with respect to which pre-production has not commenced, regardless of the stage of development of such project.

"DGCL" shall have the meaning set forth in the recitals.

"Disclosure Statement" means the disclosure statement with respect to the Plan attached as Exhibit N hereto.

"Distribution Terms" shall have the meaning set forth in Section 9.6(a).

"DLLCA" shall have the meaning set forth in the recitals.

"Effective Time" shall have the meaning set forth in Section 2.3.

"Elements" shall mean all physical embodiments of any Film or its elements, or any marketing, advertising or promotional materials, behind-the-scenes footage, featurettes, "bonus" or "added value" materials or other ancillary or subsidiary materials of every kind and nature relating to a Film or its elements in whatever state of completion, wherever located (including in any film laboratory or storage facility owned or controlled by an entity, any of its Subsidiaries or any other Person), in any video, audio or other format (including PAL, NTSC and high definition), including: (i) all positive, negative, fine grain and answer prints; (ii) all exposed or developed film, pre-print materials (including positives, interpositives, negatives, internegatives, color reversals, intermediates, lavenders, fine grain master prints and matrices and all other forms of pre-print elements which may be necessary or useful to produce prints or other copies or additional pre-print elements, whether now known or hereafter devised), subtitles, special effects, cutouts, stock footage, outtakes, tabs and trims; (iii) tapes, discs, hard drives, computer memory, or other electronic media of any nature; (iv) all sound and music tracks, audio and video recordings of all types and gauges (whether analog, digital

or otherwise) in all languages; and (v) all cells, drawings, storyboards, models, sculptures, puppets, bibles, outlines, scripts, screenplays and other physical properties.

"Employment Agreements" shall mean the employment agreements, in the form attached hereto as Exhibit E, to be entered into on the Closing Date between Parent and each of Gary Barber and Roger Birnbaum.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means, with respect to any entity, trade or business, any other entity, trade or business that is, or was at the relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes or included the first entity, trade or business or that is, or was at the relevant time, a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

"Escrow Agreement" shall have the meaning set forth in Section 9.10(e).

"Exchange Ratio" shall have the meaning set forth in Section 4.1(a)(ii).

"Excluded Cypress/Garoge Assets" means all cash, cash equivalents and the other assets set forth in Section 1.1(a) of the C/G Disclosure Schedule.

"Exploit" shall mean, with respect to the Films, to release, distribute, perform, display, exhibit, broadcast or telecast, license, sell, reproduce or create derivative works from, market, create merchandising or otherwise commercially or non-commercially exploit by any and all known or hereafter developed (i) technology, (ii) uses, (iii) media, (iv) formats, (v) modes of transmission and (vi) methods of distribution, dissemination or performance. The meaning of the term "Exploitation" shall be correlative to the foregoing.

"Films" shall mean all motion pictures (including features, shorts and trailers), television, cable or satellite programming (including on-demand and pay-per-view programming), Internet programming, direct-to-video/DVD programming or other live action, animated, filmed, taped or recorded entertainment of any kind or nature, and all components thereof, including titles, themes, content, dialogue, characters, plots, concepts, scenarios, characterizations, elements and music (whether or not now known or recognized) as to which a Person owns or controls any right, title or interest, including in any of the following: (i) completed and released works or projects; (ii) works or projects in any stage of progress, including works or projects in development and/or pre-production, in principal photography and/or post-production, and completed but not released as of the Closing Date; (iii) abandoned or "turnaround" works or projects; (iv) to the extent related to the works or projects referred to in the foregoing clauses (i) through (iii), any sequel, prequel and/or remake rights and/or other derivative production rights, including any novelization, merchandising, character, serialization, game and/or interactive rights; (v) any other allied, ancillary, subsidiary and derivative rights (including theme park rights) throughout the universe related to the works and projects

referenced in the foregoing clauses (i) through (iv); and (vi) any contractual and other rights associated with or related to such works, projects or rights referenced in the foregoing clauses (i) through (v), whether in any media now known or hereafter developed. For the avoidance of doubt, the term "Films" shall include all of such entity's Library Films, Films in Progress, Development Projects and Significant Unproduced Properties.

"Films in Progress" shall mean all Theatrical Motion Pictures, direct-to-video/DVD and made-for-television programming that have not been released and for which principal photography or post-production has commenced, which are being (or are to be) produced by the applicable entity or any of its Subsidiaries, or which the applicable entity or any of its Subsidiaries have "greenlit" or committed to finance, in whole or in part, or acquire any ownership interest, distribution rights or other rights from a third Person.

"GAAP" shall mean United States generally accepted accounting principles.

"Garoge" shall have the meaning set forth in the preamble.

"Garoge Common Stock" shall have the meaning set forth in Section 4.1(a)(ii).

"Garoge Exchange Ratio" shall have the meaning set forth in Section 4.1(a)(ii).

"Garoge Merger Consideration" shall have the meaning set forth in Section 4.1(a)(ii).

"General Assignment and Assumption Agreement" means the General Assignment and Assumption substantially in the form attached hereto as Exhibit G.

"G.I. Joe Co-Financing Agreement" shall mean that certain letter agreement, dated as of January 30, 2008, by and between Paramount Pictures Corporation and Spyglass Entertainment Productions, LLC with respect to the co-financing of that certain motion picture entitled "G.I. Joe: The Rise of Cobra" (f/k/a "Dark Sky").

"G.I. Joe / Wanted Co-Financing Rights" shall mean, collectively, (A) the right to co-finance (i) certain Subsequent Productions (as defined in the G.I. Joe Co-Financing Agreement) based on the Theatrical Motion Picture entitled "G.I. Joe: The Rise of Cobra" (f/k/a "Dark Sky") pursuant to and in accordance with Paragraph 13 and the other terms and conditions of the G.I. Joe Co-Financing Agreement relating to the Subsequent Productions of "G.I. Joe: The Rise of Cobra" and (ii) certain Subsequent Productions (as defined in the Wanted Co-Financing Agreement) based on the Theatrical Motion Picture entitled "Wanted" pursuant to and in accordance with Paragraph 10(b) and the other terms and conditions of the Wanted Co-Financing Agreement relating to the Subsequent Productions of "Wanted"; and (B) all other rights, privileges and entitlements to which the co-financier of the applicable Subsequent Productions is entitled in connection with the rights set forth clause (A) pursuant to and in accordance with the terms and conditions of the G.I. Joe Co-Financing Agreement and the Wanted Co-Financing Agreement. The "G.I. Joe / Wanted Co-Financing Rights" shall expressly exclude any and all rights,

privileges and entitlements (and corresponding Liabilities) under the G.I. Joe Co-Financing Agreement and the Wanted Co-Financing Agreement with respect to the motion pictures entitled "G.I. Joe: The Rise of Cobra" (f/k/a "Dark Sky"), "Wanted" and "Welcome Home Roscoe Jenkins" and any other rights, privileges and entitlements not directly relating to the applicable Subsequent Production, all of which shall be retained by the Spyglass Companies. For the avoidance of doubt, no rights, entitlements or Liabilities relating to the motion picture entitled "Welcome Home Roscoe Jenkins" shall constitute Contributed Assets or Assumed Liabilities.

"Governmental Entity" shall mean any governmental body, court, agency, official or regulatory or other authority, whether federal, state, local or foreign.

"Greenlit Films" shall have the meaning set forth in Section 9.2(c)(i)(B).

"Indemnification Agreement" means a director indemnification agreement, in the form attached hereto as Exhibit K, to be entered into between Parent and each of Roger Birnbaum and Gary Barber.

"Indemnifying Party" shall have the meaning set forth in Section 10.3(a)(i).

"Infringe" means, with respect to any Intellectual Property, to infringe or misappropriate such Intellectual Property in a manner that violates applicable Law or the legal rights of the owner thereof, or to dilute (as defined under applicable Law) the legal rights of the owner thereof in violation of applicable Law. The terms "Infringes" and "Infringing" shall have correlative meanings.

"Intellectual Property" means all intellectual property rights of any nature under the laws of the United States or any other jurisdiction, including, without limitation: (i) patents; (ii) trade secrets, inventions, discoveries, improvements, databases, technology and technical data, whether or not patentable or copyrightable; (iii) trademarks, service marks, trade dress, trade names and Internet domain names; (iv) copyrights and works of authorship; and (v) rights of privacy and publicity and rights arising under defamation laws, and, with respect to all of the foregoing, any and all registrations, certificates, issuances, recordings, applications, divisionals, continuations, continuations-in-part, reissues, renewals, extensions and/or re-examinations related thereto.

"IRS" shall mean the Internal Revenue Service.

"Junior Preferred Stock" shall have the meaning set forth in Section 8.3(a).

"Knowledge," or any similar formulation of knowledge, shall mean:

(a) in the case of Parent, the actual knowledge of the persons listed on Section 1 of the Parent Disclosure Schedule;

(b) in the case of Spyglass, the actual knowledge of the persons listed on Section 1.1(a) of the Spyglass Disclosure Schedule; and

(c) in the case of C/G, the actual knowledge of the persons listed on Section 1.1(b) of the C/G Disclosure Schedule.

"Law" shall mean any statute, law, ordinance, rule, regulation, code, order, rule of law (including common law) or other requirement enacted, adopted, issued or promulgated by any Governmental Entity.

"Letter of Intent" shall mean that certain Letter of Intent dated September 3, 2010 by and among Spyglass, C/G, Parent, MGM Holdings Inc. and MGM Holdings II Inc.

"Liability" shall mean any direct or indirect liability, indebtedness, claim, loss, damage, deficiency, commitment, obligation or responsibility, contingent or otherwise, whether arising in the past, present or future.

"Library Films" shall mean any and all Films that have been completed and/or acquired and delivered to the applicable distributor, and for which Exploitation has commenced on or prior to the date of this Agreement, and any and all additional Films that have been completed and/or acquired and delivered to the applicable distributor, and for which Exploitation has commenced after the date of this Agreement, but on or prior to the Closing Date. For the avoidance of doubt, the term "Library Films" shall include all Films other than Films in Progress, Development Projects and Significant Unproduced Properties.

"Liens" shall mean, with respect to any asset, pledges, mortgages, title defects or objections, claims, liens, charges, covenants, restrictions, encumbrances and security interests of any kind or nature.

"Loss" shall mean Liabilities, losses, costs or expenses (including reasonable attorneys' fees and expenses incurred in connection with the investigation or defense of any claim, action or occurrence), judgments, fines, Taxes, claims, damages, deficiencies or other charges and assessments.

"Management Stockholders" shall have the meaning set forth in the preamble.

"Merger Consideration" shall have the meaning set forth in Section 4.1(a)(ii).

"Mergers" shall have the meaning set forth in Section 2.1.

"Merger Sub" shall have the meaning set forth in the preamble.

"MGM Benefit Plan" shall mean each MGM Pension Plan, MGM Welfare Plan and any other plan, fund, program, arrangement or agreement (including any employment or consulting agreement) to provide employees, directors, independent contractors, consultants, officers or agents with medical, health, disability, life, bonus, incentive, stock or stock-based right (option, ownership or purchase), retirement, deferred compensation, severance, change in control, salary continuation, vacation, sick leave, fringe, incentive insurance or other benefits, maintained, or contributed to, or required to be contributed to, by any of the MGM Companies for the benefit of any current or former

independent contractors, consultants, agents, employees, officers or directors of the MGM Companies.

"MGM Companies" shall mean, collectively, Parent and any of its Subsidiaries (including Merger Sub).

"MGM Foreign Plan" shall mean each MGM Benefit Plan that is governed by the Laws or applicable customs or rules of relevant jurisdictions other than the United States.

"MGM Organizational Documents" shall have the meaning set forth in Section 8.1(a).

"MGM Pension Plan" shall mean "employee pension benefit plan" (as defined in Section 3(2) of ERISA) maintained, or contributed to, or required to be contributed to, by any of the MGM Companies for the benefit of any current or former independent contractors, consultants, agents, employees, officers or directors of any of the MGM Companies.

"MGM Subsidiary Organizational Documents" shall have the meaning set forth in Section 8.1(a).

"MGM Welfare Plan" shall mean "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) maintained, or contributed to, or required to be contributed to, by the MGM Companies for the benefit of any current or former independent contractors, consultants, agents, employees, officers or directors of the MGM Companies.

"Multiemployer Plan" shall mean any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

"Non-Competition Agreement" shall mean a Contract that prohibits or materially restricts the ability of an entity to operate in any geographical area or compete or operate in any line of business in which such entity presently is engaged (or would be reasonably expected to extend an existing business into), other than (i) provisions relating to geographic exclusivity and/or exclusivity by medium or manner of Exploitation contained in agreements for the Exploitation of Films or Intellectual Property licenses or (ii) channel distribution restrictions.

"Order" shall mean any judgment, order, writ, preliminary or permanent injunction or decree of any Governmental Entity.

"Parent" shall have the meaning set forth in the preamble.

"Parent Common Stock" shall have the meaning set forth in the recitals.

"Parent Contract" shall have the meaning set forth in Section 8.9(a)(i).

"Parent Disclosure Schedule" shall have the meaning set forth in Article VIII.

"Parent Financial Statements" shall have the meaning set forth in Section 8.6.

"Parent Indemnified Parties" shall have the meaning set forth in Section 10.2.

"Parent Intellectual Property" shall have the meaning set forth in Section 8.12(a).

"Parent Material Adverse Effect" means any change, event, occurrence, condition, circumstance, development or effect that, individually or in the aggregate has had, or would reasonably be expected to have, a material adverse effect on the business, properties, assets, liabilities, condition (financial or otherwise) or results of operations of the MGM Companies, taken as a whole, or that would reasonably be expected to materially delay or materially adversely affect the ability of the MGM Companies, taken as a whole, to consummate the Contemplated Transactions; provided, however, that any change, event, occurrence, condition, circumstance, development or effect that is (i) primarily caused by conditions affecting the United States economy generally or the economy of any nation or region in which an MGM Company conducts business that is material to the business of the MGM Companies, taken as a whole, shall not be taken into account in determining whether there has been or would be a "Parent Material Adverse Effect", (ii) primarily caused by conditions generally affecting the entertainment industry shall not be taken into account in determining whether there has been or would be a "Parent Material Adverse Effect", and (iii) primarily caused by the announcement or pendency of the Transaction Documents or the Contemplated Transactions (including the commencement of the Chapter 11 Cases under the Bankruptcy Code, but only to the extent such change, event, occurrence, condition, circumstance, development or effect is one that is primarily caused by, or that customarily occurs as a result of, either (x) the commencement or pendency of chapter 11 cases or (y) the anticipation of the filing of chapter 11 cases shall not be taken into account in determining whether there has been or would be a "Parent Material Adverse Effect"; it being understood and agreed that the foregoing exclusions described in clauses (i) and (ii) shall not apply to the extent that the applicable changes, events, occurrences, conditions, circumstances, developments or effects described therein have or would reasonably be expected to have a materially disproportionate adverse effect on the MGM Companies, taken as a whole, as compared to any other Persons engaged in the same business as the MGM Companies.

"Parent Organizational Documents" shall have the meaning set forth in Section 8.1(a).

"Participations" shall mean all amounts (whether described as a deferment, a gross or net participation or otherwise) that a Person may be contractually obligated to pay for rights, services, materials or financing provided by a third Person in connection with any Film and that are based on or dependent on all or any percentage of the receipts or proceeds from the Exploitation of such Film (irrespective of the manner in which such receipts or proceeds are defined or computed) or the passage of time (unless included in the cost of production), including royalties and payments made to guilds and/or their affiliated pension or health plans, whether or not such payments have become due or been made.

"PBGC" shall mean the Pension Benefit Guarantee Corporation.

"Percentage Interest" shall have the meaning set forth in Section 10.4(a).

"Permitted Liens" shall mean (i) statutory Liens for Taxes, assessments or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP; (ii) inchoate mechanics', materialmen's, carriers', workmen's, warehousemen's, repairmen's, landlords' and similar Liens (including all statutory Liens and all privileges or equivalent rights recognized by applicable Law) granted in the ordinary course of business; (iii) customary Liens granted in the ordinary course of business to any guild or other Person in connection with the development, production or Exploitation of Films; (iv) Liens securing debt reflected as secured debt on the financial statements as of March 31, 2010 (in the case of Parent) or December 31, 2009 (in the case of C/G); (v) title of the lessor under any capital lease; (vi) such other imperfections in title, rights of usufruct or use or other restrictions and encumbrances that do not materially detract from the value of or materially interfere with the use or Exploitation of the Films or Elements (as currently Exploited), as the case may be; (vii) Contracts entered into in the ordinary course of business pursuant to which any Person has acquired, established, developed or granted any rights to Exploit any Film; (viii) Liens that constitute the rights of any lessee or licensee under any lease or license with respect to any Film or Elements; (ix) Liens securing indebtedness incurred in the ordinary course of business attributable to "negative pick-ups" (as such term is commonly understood in the United States entertainment industry) or sale and leaseback transactions; and (x) Liens consisting of any right in, or right to receive, money or other consideration in respect of, or relating in any way to, any Film or Elements which consideration is based on the Exploitation of any such asset, however measured and which was granted in return for talent or other personal services rendered or third party rights utilized in connection with such Film or Elements or the development, financing, production or Exploitation thereof.

"Person" shall mean an individual, corporation, limited liability company, partnership, association, trust or any other entity or organization, including any Governmental Entities.

"Plan" shall mean the chapter 11 plan of reorganization in the form attached hereto as Exhibit A and acceptable to the Administrative Agent and Parent, with any amendments, modifications, supplements and exhibits thereto approved by the parties to this Agreement and acceptable to the Administrative Agent.

"Post-Closing Tax Period" shall mean all taxable periods that begin after the Closing Date and the portion beginning after the Closing Date of any taxable periods that includes (but does not end on) the Closing Date.

"Pre-Closing Tax Period" shall have the meaning set forth in Section 10.4(a).

"Registration Rights Agreement" means the Registration Rights Agreement substantially in the form attached hereto as Exhibit F.

"Related Party" shall have the meaning set forth in Section 8.15.

"Reorganization Document" means the Plan, the Disclosure Statement, any "first-day" motion filed by Parent or its Subsidiaries and any motion, application or pleading filed by Parent or its Subsidiaries in the Chapter 11 Cases which seeks relief that is not inconsistent with the terms hereof.

"Representatives" shall refer to the accountants, consultants, legal counsel, financial and other advisors, agents and other representatives of a Person.

"Restricted Period End Date" shall have the meaning set forth in Section 9.2(c)(vii).

"Retained Interest" shall have the meaning set forth in Section 3.2(b).

"Scheduled Plans" shall have the meaning set forth in Section 8.8(a).

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933 and the rules and regulations of the SEC promulgated thereunder.

"Senior Management Equity Investment Plan" shall mean the 2010 MGM Holdings Inc. Stock Incentive Plan adopted by the Parent, as amended from time to time.

"Senior Preferred Stock" shall have the meaning set forth in Section 8.3(a).

"Share" shall mean each share of Cypress/Garoge Common Stock.

"Significant Unproduced Properties" means those Development Projects with respect to which, as of the date of this Agreement (or, with respect to the Closing, the Closing Date): (i) are in active development (or, if not in active development, development has commenced within two (2) years prior to the date of this Agreement) and have not been abandoned as of the date of this Agreement; (ii) the applicable entity owns or controls rights in such materials and is developing them for possible production as a Theatrical Motion Picture or as direct-to-video/DVD or made-for-television programming, or such materials are being developed by a third Person for possible production as a Theatrical Motion Picture or as direct-to-video/DVD or made-for-television programming and the entity or one or more of its Subsidiaries has the obligation to finance (in whole or in part) and/or acquire any Exploitation rights in such Development Projects, Theatrical Motion Picture, direct-to-video/DVD or made-for-television programming; (iii) pre-production has not been commenced; and (iv) an amount in excess of $300,000 has been expended and/or committed by the applicable Person in respect of development and/or production costs.

"Spyglass" shall have the meaning set forth in the preamble.

"Spyglass Companies" shall mean, collectively, Spyglass and its Subsidiaries that hold Contributed Assets or have any rights, title or interests thereto.

"Spyglass Contracts" means (i) the Contracts set forth in Section 1.1(b) of the Spyglass Disclosure Schedule and (ii) to the extent not included in the foregoing clause (i), all Spyglass License Agreements and other Contracts to which any Spyglass Company is a party or by which any of them or any of the Contributed Assets are bound, in each case, to the extent solely relating to any of the Spyglass Development Projects and the G.I. Joe/Wanted Co-Financing Rights, or the Exploitation thereof, excluding any Contracts relating to any employees of any Spyglass Company.

"Spyglass Credit Facility" shall mean that certain Credit and Security Agreement, dated as of March 22, 2007, by and among Spyglass Entertainment Funding, LLC, the lenders named therein and Dresdner Bank AG (and its successors and assigns), as administrative agent, depository bank, letter of credit issuer and collateral agent, and the other documents and instruments referenced therein, and the transactions contemplated thereby, as the same has been amended, restated or supplemented prior to the date hereof.

"Spyglass Development Projects" shall have the meaning set forth in Section 6.5(a).

"Spyglass Disclosure Schedule" shall have the meaning set forth in Article VI.

"Spyglass Elements" shall mean all Elements relating to the Spyglass Development Projects, including, if applicable, Elements relating to the Spyglass Development Projects with respect to which the Spyglass Companies have laboratory access letters.

"Spyglass Films In Progress" shall have the meaning set forth in Section 6.5(f)(i).

"Spyglass License Agreements" shall mean contracts or agreements to which any Spyglass Company is a party or by which any of them or the Contributed Assets are bound, inclusive of amendments, pursuant to which a Spyglass Company grants or licenses to or acquires or licenses from a third Person any right, title or interest in or to one or more Spyglass Development Projects or any right, title or interest with respect thereto, including any right, title or interest related to the Exploitation of one or more Spyglass Development Projects.

"Spyglass Significant Unproduced Properties" shall have the meaning set forth in Section 6.5(f)(ii).

"Stockholders Agreement" shall mean the stockholders agreement substantially in the form attached hereto as Exhibit D.

"Straddle Period" shall have the meaning set forth in Section 10.4(c).

"Subsidiary" of any Person means (i) a corporation more than 50% of the combined voting power of the outstanding voting stock of which is owned, directly or indirectly, by such Person or by one of more other Subsidiaries of such Person or by such Person and one or more other Subsidiaries thereof; (ii) a partnership of which such Person, or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, is the general partner and has the power to direct the policies, management and affairs of such partnership; (iii) a limited liability company of which such Person or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, is the managing member and has the power to direct the policies, management and affairs of such company; or (iv) any other Person (other than a corporation, partnership or limited liability company) in which such Person, or one or more other Subsidiaries of such Person or such Person and one or more other Subsidiaries thereof, directly or indirectly, has at least a majority ownership and has the power to direct the policies management and affairs thereof. For the purposes of this definition, "voting power" shall mean the right to elect a majority of the board of directors of such corporation, and United Artists Entertainment LLC shall be deemed to be a Subsidiary of Parent.

"Superior Proposal" means a bona fide written unsolicited Competing Proposal (which did not result from or arise in connection with a breach of Section 9.10), made after the date of this Agreement by a third Person that the Board of Directors and the Administrative Agent determine in good faith to be superior to the transactions provided for herein and contemplated hereby.

"Surviving Entity" shall have the meaning set forth in Section 2.1.

"Surviving Representations" shall have the meaning set forth in Section 10.1.

"Target" means the C/G Companies and the Contributed Assets, taken as a whole.

"Tax" or "Taxes" shall mean any and all federal, state, local and foreign taxes, assessments, duties, impositions and levies, including taxes that are based upon or measured by gross receipts, income, profits, sales, use and occupation, and value added, ad valorem, alternative or add-on minimum, severance, capital stock, premium, registration, transfer, gains, franchise, withholding, payroll, recapture, employment, excise, estimated, unemployment, insurance, social security, business license, occupation, business organization, stamp, environmental and property taxes, together with all interest, penalties and additions imposed with respect to such amounts. For purposes of this Agreement, "Taxes" (i) also includes any obligations under any agreements or arrangements with any Person with respect to the liability for, or sharing of, Taxes (including pursuant to Treasury Regulations Section 1.1502-6 or comparable provisions of state, local or foreign tax Law) and including any liability for Taxes as a transferee or successor, by Contract or otherwise, but (ii) does not include Transfer Taxes.

"Tax Returns" shall mean any report, return, election, notice, declaration, information statement or other form or document (including all schedules, exhibits and other attachments thereto) relating to and filed or required to be filed with a Taxing

authority in connection with any Tax (including estimated Taxes), and shall include any amendment to any of the foregoing.

"Termination and Release of Funds Notice" shall have the meaning set forth in Section 12.1(f).

"Termination Date" shall have the meaning set forth in Section 12.1(g).

"Terms" shall have the meaning set forth in Section 9.6(a).

"Theatrical Motion Picture" shall mean any feature length motion picture intended for initial exhibition in motion picture theatres.

"Third Party Claim" shall have the meaning set forth in Section 10.3(a)(i).

"Third Party Transfer" shall have the meaning set forth in Section 9.6(a).

"Transaction Documents" shall mean this Agreement, the Stockholders Agreement, the Senior Management Equity Investment Plan, the Employment Agreements, the Indemnification Agreements, the Registration Rights Agreement, the Plan, the General Assignment and Assumption Agreement and the Escrow Agreement.

"Transferring Party" shall have the meaning set forth in Section 9.6(a).

"Transfer Taxes" means sales, use, value added, transfer, stamp, stock transfer, real property transfer or gains and similar Taxes incurred in connection with the transfer of the Contributed Assets or the Mergers, as the case may be, pursuant to this Agreement.

"Treasury Regulations" means all temporary and final regulations promulgated under the Code.

"Undersigned C/G Stockholders" shall have the meaning set forth in the preamble.

"Unexecuted Development Projects" shall have the meaning set forth in Section 9.2(b)(iii).

"Wanted Co-Financing Agreement" shall mean that certain letter agreement, dated as of September 17, 2007, by and between Universal City Studios LLLP and Spyglass Entertainment Productions, LLC with respect to the co-financing of the motion pictures entitled "Wanted" and "Welcome Home Roscoe Jenkins".

Section 1.2 Construction.

(a) Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender; (ii) the singular number includes the plural number and vice versa; (iii) the terms "hereof", "herein", "hereby", "hereto" and derivative or words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article,

Section or other provision hereof; (iv) references herein to a specific Article, Section or Exhibit refer, respectively, to Articles, Sections or Exhibits of this Agreement; and (v) the word "including" (and with correlative meaning "include") shall mean including without limiting the generality of any description preceding such term.

(b) References to agreements or other documents shall be deemed to include all amendments and other modifications thereto.

(c) References to statutes shall include all final and temporary regulations promulgated thereunder and references to statutes or regulations shall be construed as including all statutory and final or temporary regulatory provisions consolidating, amending or replacing the statute or regulation.

(d) The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent and no rule of strict construction shall be applied against any party.

(e) The terms "Dollars" and "$" shall mean United States Dollars.

(f) References to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually.

(g) References to the "transactions contemplated hereby" and similar phrases shall be deemed to include, without limitation, the consummation of the Mergers, the Contribution, the Plan, the Chapter 11 Cases, entry of the Confirmation Order and the entering into of the Employment Agreements, the Stockholders Agreement and the Registration Rights Agreement.

ARTICLE II

THE MERGERS

Section 2.1 The Mergers. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the applicable provisions of the DGCL and the DLLCA, C/G shall be merged with and into Merger Sub at the Effective Time (the "Mergers"). Following the Effective Time, the separate corporate existence of C/G shall cease, and Merger Sub shall continue its existence under the DLLCA as the surviving entity in the Mergers (the "Surviving Entity") and a wholly-owned subsidiary of Parent that is disregarded as a separate entity from Parent as contemplated by Treasury Regulation Section 301.7701-3.

Section 2.2 Closing. Subject to the terms and conditions of this Agreement, the closing of the Mergers and the Contribution (the "Closing") shall take place at the offices of Simpson Thacher & Bartlett, 1999 Avenue of the Stars, Los Angeles, CA 90067, commencing at 9:00 a.m. local time, on either (i) five (5) calendar days following the entry of a Confirmation Order and the satisfaction or waiver of the conditions specified in Section 11.1 and Section 11.2

or (ii) at such other time, date, and place as the parties may mutually agree. The date on which the Closing actually occurs is hereinafter referred to as the "Closing Date".

Section 2.3 Effective Time. Subject to the provisions of this Agreement, the parties will cause the Mergers to be consummated by filing an appropriate certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware in such form as required by, and executed in accordance with, the relevant provisions of the DGCL and the DLLCA on the Closing Date. The Mergers will become effective upon such filing or at such time thereafter as is provided in the Certificate of Merger (the "Effective Time").

Section 2.4 Effects of the Mergers. At the Effective Time, the Mergers shall have the effects set forth in this Agreement and the applicable provisions of the DGCL and DLLCA.

Section 2.5 Tax Treatment of the Mergers. For United States federal income tax purposes, it is intended that the Mergers be treated as wholly tax-deferred (other than in respect of the receipt of cash in lieu of fractional shares pursuant to Section 4.4) reorganizations with Parent within the meaning of Section 368(a)(1)(A) of the Code, and that this Agreement shall constitute a plan of reorganization within the meaning of Treasury Regulations Section 1.368-2(g). The parties hereto agree to report the Mergers consistently with the foregoing on all applicable Tax Returns.

Section 2.6 Certificate of Formation; Managing Member and Officers. The certificate of formation of the Merger Sub in effect immediately preceding the Effective Time, which shall be in the form set forth in Exhibit C, shall be the certificate of formation of the Surviving Entity until thereafter changed or amended as provided therein or under the DLLCA. The managing member and officers of Merger Sub immediately prior to the Effective Time will be the managing member and officers of the Surviving Entity at the Effective Time until successors are duly elected or appointed and qualified in accordance with applicable Law or until their death, resignation or removal in accordance with the certificate of formation or limited liability company agreement of the Surviving Entity.

Section 2.7 Transfer Taxes. All Transfer Taxes with respect to the Mergers shall be shared equally by the Undersigned C/G Stockholders, on the one hand, and Parent, on the other hand. The Undersigned C/G Stockholders shall file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes, and, if required by applicable Law, Parent shall join in the execution of any such required Tax Returns and other documentation. The costs and expenses associated with such filings shall be borne equally by Parent and the Undersigned C/G Stockholders. The Undersigned C/G Stockholders and the Parent agree to cooperate in the execution and delivery of all instruments and certificates necessary to enable the Undersigned C/G Stockholders to comply with any filing requirements.

ARTICLE III

CONTRIBUTION OF ASSETS

Section 3.1 Contributed Assets. Subject to the terms and conditions of this Agreement, at the Closing, Spyglass agrees and agrees to cause the applicable Spyglass Companies to transfer, convey, assign, grant and deliver, or cause to be transferred, conveyed, assigned, granted and delivered (together with the assignment and the assumption of the Assumed Liabilities contemplated by Section 3.3) (the "Contribution") to Parent (or, if applicable, to the Designated Subsidiary), free and clear of any Liens (other than Permitted Liens), all of the Spyglass Companies' right, title and interest in and to all the Spyglass Development Projects and the G.I. Joe/Wanted Co-Financing Rights, including the following (collectively, the "Contributed Assets" and individually, a "Contributed Asset"):

(a) All rights, title and interests of the Spyglass Companies in and to the Spyglass Contracts and the G.I. Joe/Wanted Co-Financing Rights (collectively, the "Assumed Contracts");

(b) All rights, title and interest of the Spyglass Companies in and to the Spyglass Elements (collectively, the "Assumed Elements");

(c) All rights, title and interest of the Spyglass Companies in and to the Intellectual Property relating to the Spyglass Development Projects and, if applicable, the G.I. Joe/Wanted Co-Financing Rights (collectively, the "Assumed IP");

(d) All receivables of the Spyglass Companies relating to the Spyglass Development Projects, the G.I. Joe/Wanted Co-Financing Rights, the Assumed Contracts, the Assumed Elements or the Assumed IP; and

(e) All files and documents of the Spyglass Companies, including books, ledgers, files, studies, reports, plans, accounting data, inventory records, sales and sales promotional data, advertising materials, cost and pricing information, business plans, creative materials and any other such data, records or materials, however stored, in each case to the extent relating to the Spyglass Development Projects, the G.I. Joe/Wanted Co-Financing Rights, the Assumed Contracts, the Assumed Elements or the Assumed IP; provided, however, that the Spyglass Companies shall be entitled to retain copies of any such materials which are necessary for, and may use such copies solely in connection with, their Tax, accounting or legal purposes; provided that such copies and all information contained therein shall be confidential information bound by the Confidentiality Agreement in accordance with Section 9.12.

For the avoidance of doubt, no other rights, properties or assets are being transferred, conveyed, assigned, granted and delivered to Parent (or the Designated Subsidiary) as part of the Contribution hereunder other than the Contributed Assets and the Assumed Liabilities. Other than as expressly described in this Section 3.1 with respect to the Spyglass Development Projects and the G.I. Joe/Wanted Co-Financing Rights, the Contributed Assets shall not include any other Intellectual Property of the Spyglass Companies (including, without limitation, the Spyglass name, trademarks, logos, goodwill, going concern value or any other tangible or intangible

Intellectual Property whatsoever) or any other rights, properties or assets of Spyglass or any of the Spyglass Companies.

Section 3.2 Assignment of the Contributed Assets.

(a) At the Closing, to the extent necessary, Spyglass shall deliver to Parent (or, if applicable, the Designated Subsidiary) a General Assignment and Assumption Agreement in substantially the form of Exhibit G hereto and, to the extent required, such certificates of title, endorsements, consents, assignments and other good and sufficient instruments of conveyance and assignment of the Contributed Assets as Spyglass and Parent shall deem reasonably necessary in order to vest in Parent (or, if applicable, the Designated Subsidiary) all right, title and interest of the Spyglass Companies in and to the Contributed Assets.

(b) Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any of the Contributed Assets set forth in Section 3.2(b) of the Spyglass Disclosure Schedule for which any third party consent has not been obtained by the Closing (a "Retained Interest") unless and until such third party consent is obtained, at which time such Retained Interest shall be deemed to be sold, conveyed, transferred and assigned in accordance with Section 3.1 and shall cease to be a Retained Interest.

(c) While a Contributed Asset remains a Retained Interest, Spyglass shall use its, and shall cause any of the applicable Spyglass Companies to use their, reasonable best efforts to obtain any such required consent in writing in form and substance reasonably satisfactory to Parent, which such required consent shall not, in any case, impose any new economic term or monetary obligation or any material non-monetary obligation, in each case that is, or would become after the Closing, applicable to either Parent (or any of the MGM Companies) or any of the Spyglass Development Projects and the G.I. Joe/Wanted Co-Financing Rights.

(d) While a Contributed Asset remains a Retained Interest, Spyglass and Parent (or a Subsidiary of Parent) shall (i) cooperate in a lawful arrangement reasonably satisfactory to Spyglass and Parent (or a Subsidiary of Parent) designed to provide the benefits (economic or otherwise) of such Retained Interest to Parent to the maximum extent practicable and at no additional cost to Parent (or a Subsidiary of Parent), and Parent (or a Subsidiary of Parent) shall assume the corresponding liabilities and obligations thereunder in accordance with Section 3.3 as if such Retained Interest had been transferred to Parent (or a Subsidiary of Parent), but only to the extent Parent (or a Subsidiary of Parent) obtains the benefits of such Retained Interest; and (ii) enforce, at the request and expense of Parent, any rights of Spyglass arising from such Retained Interest against the issuer thereof or the other party or parties thereto (including the right to elect to terminate any such Retained Interest in accordance with the terms thereof upon the written direction of Parent).

Section 3.3 Assumed Liabilities. Subject to the terms and conditions of this Agreement, at the Closing and as part of the Contribution, Parent shall or, if applicable, shall cause the Designated Subsidiary to assume and be liable for and agree to pay, discharge and perform when due and hold harmless Spyglass from all of the Spyglass Companies' Liabilities to the extent such Liabilities arise under or are solely related to any of the Contributed Assets, whether arising before, on or after the Closing Date (collectively, the "Assumed Liabilities").

Notwithstanding any other provision of this Agreement, other than the Assumed Liabilities, Parent shall not assume any Liabilities of the Spyglass Companies, including, without limitation: (i) all obligations, liabilities and commitments to the extent relating to or arising out of any assets other than the Contributed Assets; (ii) all Taxes arising out of, relating to or in respect of the Spyglass Companies (other than with respect to the Contributed Assets) imposed for any period; (iii) all Taxes (other than Transfer Taxes) arising out of, relating to or in respect of the Contributed Assets imposed for any Pre-Closing Tax Period and the portion of any Straddle Period ending on the Closing Date; (iv) all obligations, liabilities and commitments to the extent arising from the employment or termination of employment of any employee or former employee of the Spyglass Companies; and (v) all obligations, liabilities and commitments to the extent relating to or arising out of any suit, action or proceeding relating to the Contributed Assets and arising from actions or failure to act of any of the Spyglass Companies prior to the Closing Date. For the avoidance of doubt, Parent and/or the Designated Subsidiary shall be responsible for paying, and shall pay, all Taxes attributable to their ownership of, or entitlements to, the Contributed Assets for any Post-Closing Tax Period.

Section 3.4 Tax Treatment of the Contribution. For United States federal income tax purposes, it is intended that the Contribution and the Debt Conversion, taken together, be treated as part of an integrated plan and as a wholly tax-deferred (other than in respect of the receipt of cash in lieu of fractional shares) contribution pursuant to Section 351(a) of the Code. The parties hereto agree to report the Contribution and Debt Conversion consistently with the foregoing on all applicable Tax Returns.

Section 3.5 Transfer Taxes. All Transfer Taxes with respect to the Contribution shall be shared equally by Spyglass and Parent. Spyglass shall file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes, and, if required by applicable Law, Parent shall join in the execution of any such required Tax Returns and other documentation. The costs and expenses associated with such filings shall be borne equally by Spyglass and Parent. Spyglass and Parent agree to cooperate in the execution and delivery of all instruments and certificates necessary to enable Spyglass to comply with any filing requirements.

ARTICLE IV

CONSIDERATION; CONVERSION OF SHARES; EXCHANGE OF CERTIFICATES

Section 4.1 Consideration.

(a) At the Effective Time, by virtue of the Mergers and without any action on the part of C/G, Merger Sub or the holders of any securities in either Cypress, Garoge or Merger Sub, subject to Section 4.4, each issued and outstanding share of (i) common stock, par value $0.01 per share, of Cypress outstanding immediately prior to the Effective Time (such shares, collectively, the "Cypress Common Stock") shall thereupon be converted automatically into and shall thereafter represent the right to receive 667.133 (the "Cypress Exchange Ratio") fully paid and nonassessable shares of common stock, par value of $0.01 per share ("Parent Common Stock"), of Parent (the "Cypress Merger Consideration") and (ii) common stock, par value $0.001 per share, of Garoge outstanding immediately prior to the Effective Time (such shares,

collectively, the "Garoge Common Stock" and, together with the Cypress Common Stock, the "Cypress/Garoge Common Stock") shall thereupon be converted automatically into and shall thereafter represent the right to receive 88.692 (the "Garoge Exchange Ratio" and, together with the Cypress Exchange Ratio, the "Exchange Ratio") fully paid and nonassessable shares of Parent Common Stock (the "Garoge Merger Consideration" and, together with the Cypress Merger Consideration, the "Merger Consideration") representing in the aggregate, immediately following the Effective Time and Debt Conversion, approximately 4.17% of the issued and outstanding Parent Common Stock. Notwithstanding the foregoing, at the Effective Time of the Mergers, each share of Cypress/Garoge Common Stock held by either Cypress or Garoge or by any MGM Company immediately prior to the Effective Time of the Merger, if any, shall be cancelled and extinguished without any conversion thereof.

(b) At the Effective Time, Parent agrees to issue to Spyglass 400,000 fully paid and nonassessable shares of Parent Common Stock (the "Contribution Consideration") in consideration for the Contribution, representing in the aggregate, immediately following the Effective Time and Debt Conversion, approximately 0.52% of the issued and outstanding Parent Common Stock and to deliver to Spyglass appropriate evidence of such shares of Parent Common Stock. Parent further acknowledges that, after receipt of such appropriate evidence of such shares of Parent Common Stock, Spyglass may distribute some or all of such shares of Parent Common Stock to its members (subject to restrictions under applicable securities laws and under the Stockholders Agreement) and that Parent agrees to take all necessary and reasonable steps to acknowledge such transfer in accordance with the terms of the Stockholders Agreement.

Section 4.2 Cancellation of Shares. As a result of the Mergers, at the Effective Time, all shares of Cypress/Garoge Common Stock converted into the right to receive Parent Common Stock pursuant to Section 4.1(a) shall no longer be outstanding and shall cease to exist and each holder of Shares shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration payable in respect of such Shares which are issued and outstanding immediately prior to the Effective Time and any cash in lieu of fractional shares of Parent Common Stock payable pursuant to Section 4.4, all to be issued or paid, without interest, in consideration therefor upon the surrender of such Shares in accordance with Section 4.6.

Section 4.3 Merger Sub Membership Units. Each membership unit of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and non-assessable membership unit of the Surviving Entity and shall constitute the only outstanding membership units of the Surviving Entity. From and after the Effective Time, all certificates representing the membership units of Merger Sub shall be deemed for all purposes to represent the number of membership units of the Surviving Entity into which they were converted in accordance with the immediately preceding sentence.

Section 4.4 Fractional Shares. No fractional shares of Parent Common Stock shall be issued in the Mergers or the Contribution and no dividends or other distributions of Parent shall relate to such fractional shares or interests in such, but in lieu thereof each holder of Shares otherwise entitled to a fractional share of Parent Common Stock (after aggregating all fractional shares to be received by such holder at that time) will be entitled to receive, from Parent in accordance with the provisions of this Section 4.4, a cash payment, in lieu of such

fractional share of Parent Common Stock, equal to the amount of the fractional share of Parent Common Stock that such holder is entitled to, multiplied by $25.00. The parties acknowledge that payment of the cash consideration in lieu of issuing fractional shares of Parent Common Stock was not separately bargained-for consideration but merely represents a mechanical rounding off for purposes of avoiding the expense and inconvenience to Parent that would otherwise be caused by the issuance of fractional shares of Parent Common Stock.

Section 4.5 Adjustments to the Exchange Ratio. If at any time during the period between the date of this Agreement and the Effective Time, the outstanding shares of capital stock of C/G or Parent shall have been changed into a different number of shares or a different class by reason of any reclassification, recapitalization, stock split (including a reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or distribution with a record date during such period, or any other similar event, but excluding any change that results from any issuance of Parent Common Stock that does not result in a greater number of shares being outstanding as of the Closing Date, then the Exchange Ratio, the Merger Consideration, the Contribution Consideration and any other similarly dependent items shall be equitably adjusted to reflect such change and to give effect to the intention of the parties that, immediately following the Closing Date, the Undersigned C/G Stockholders (together with any transferees thereof) and Spyglass will hold approximately 4.17% and 0.52%, respectively, of the issued and outstanding Parent Common Stock.

Section 4.6 Exchange Procedures. On the Closing Date, the holders of securities in C/G shall surrender to Parent their Shares, which shall be immediately cancelled (the "Cancelled Shares"), and the holders of such Cancelled Shares shall be provided with (i) duly executed certificates representing the shares of Parent Common Stock issuable pursuant to Section 4.1(a) (or appropriate alternative arrangements shall be made by Parent if uncertificated shares of Parent Common Stock will be issued) in exchange for such Cancelled Shares (or an affidavit of lost certificate and agreement of indemnity pursuant to Section 4.10) and (ii) if applicable, payment by cash or check in lieu of fractional shares of Parent Common Stock which such holder is entitled to receive pursuant to Section 4.4. If any portion of the Merger Consideration is to be registered in the name of a Person other than the Person in whose name the applicable surrendered Share is registered, it shall be a condition to the registration thereof that the surrendered Share be in proper form for transfer and that the Person requesting such delivery of the Merger Consideration pay any and all transfer and other similar Taxes required to be paid as a result of such registration in the name of a Person other than the registered holder of such Share or establish to the satisfaction of Parent that such Taxes have been paid or are not payable. Until surrendered as contemplated by this Section 4.6, each Share shall be deemed at any time after the Effective Time to represent only the right to receive the Merger Consideration (and any amounts to be paid pursuant to Section 4.4) upon such surrender. No interest shall be paid or shall accrue on any amount payable pursuant to Section 4.4.

Section 4.7 Withholding Rights. Each of Parent, Merger Sub, C/G and the Surviving Entity shall be entitled to deduct and withhold, from any consideration payable or otherwise deliverable under this Agreement, such amounts as are required to be withheld or deducted under the Code or any provision of state, local or foreign tax Law with respect to the making of such payment. To the extent that amounts are so withheld or deducted, such withheld

or deducted amounts shall be treated for all purposes of this Agreement as having been paid to the Person(s) to whom such amounts would otherwise have been paid.

Section 4.8 No Further Ownership Rights in Cypress/Garoge Common Stock; Closing of Transfer Books. All shares of Parent Common Stock issued upon the surrender for exchange of Shares in accordance with the terms of this Article IV and any cash paid pursuant to Section 4.4 shall be deemed to have been issued (or paid) in full satisfaction of all rights pertaining to the Shares previously represented by such Shares. At the close of business on the day on which the Effective Time occurs, the stock transfer books of each of C/G shall be closed with respect to the Shares that were outstanding immediately prior to the Effective Time, and there shall be no further registration of transfers on the stock transfer books of the Surviving Entity of the Shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time and subject to Section 4.10, Shares are presented to the Surviving Entity or Parent, they shall be cancelled and exchanged as provided in this Article IV.

Section 4.9 No Liability. Notwithstanding anything in this Agreement to the contrary, none of C/G, Parent, Merger Sub, the Surviving Entity or any other Person shall be liable to any former holder of Shares for shares of Parent Common Stock, cash, dividends, other distributions or any other amount properly delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law. If any Shares shall not have been surrendered prior to four years after the Effective Time (or immediately prior to such earlier date on which any Merger Consideration (and cash in lieu of fractional shares payable pursuant to Section 4.4) would otherwise escheat to or become the property of any Governmental Entity), any such shares, dividends, distributions and cash shall, to the extent permitted by applicable Law, become the property of Parent, free and clear of all claims or interest of any Person previously entitled thereto.

Section 4.10 Lost Certificates. If any certificate representing Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate representing Shares to be lost, stolen or destroyed, Parent shall deliver in exchange for such lost, stolen or destroyed certificate representing Shares, the Merger Consideration and cash in lieu of any fractional shares payable pursuant to Section 4.4 upon the delivery of an indemnity agreement reasonably satisfactory to Parent against any claim that may be made against it with respect to such certificate representing Shares.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF C/G

Except as disclosed in the disclosure schedule delivered by C/G to Parent immediately prior to the execution of this Agreement and attached hereto as Exhibit H (the "C/G Disclosure Schedule"), which identifies the sections (or, if applicable, subsections) to which such exceptions relate (provided that any disclosure in the C/G Disclosure Schedule relating to one section or subsection shall also apply to other sections and subsections to the extent that it is reasonably apparent that such disclosure would also apply to or qualify such other sections and subsections), each of Cypress and Garoge represent and warrant, as to itself and its respective C/G Companies only, to Parent and Merger Sub as follows:

Section 5.1 Qualification; Organization; Subsidiaries.

(a) Each of the C/G Companies is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate, partnership or limited liability company power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is in good standing as a foreign corporation, partnership or limited liability company in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except for those jurisdictions where the failure to be so organized, validly existing, qualified or in good standing, or to have such power or authority, would not reasonably be expected to have, individually or in the aggregate, a C/G/S Material Adverse Effect. C/G have made available to Parent and Merger Sub prior to the date of this Agreement a true and complete copy of each of their respective articles of incorporation and bylaws, each as amended through the date hereof (the "Cypress/Garoge Organizational Documents") and has made available to Parent and Merger Sub prior to the date of this Agreement a true and complete copy of the articles of incorporation and bylaws or other equivalent organizational documents of each of its principal operating Subsidiaries, each as amended through the date hereof (the "C/G Subsidiary Organizational Documents", and together with the Cypress/Garoge Organizational Documents, the "C/G Organizational Documents"). The C/G Organizational Documents so delivered are in full force and effect, and none of the C/G Companies is in violation of its C/G Organizational Documents in any material respect.

(b) Section 5.1(b) of the C/G Disclosure Schedule lists each of the respective Subsidiaries of C/G and its jurisdiction of organization. All of the outstanding shares of capital stock or other ownership interests of each of the respective Subsidiaries of C/G have been validly issued and are fully paid and, as applicable, nonassessable. Except as set forth in Section 5.1(b) of the C/G Disclosure Schedule, all of the outstanding shares of capital stock or other ownership interests of each Subsidiary of either of C/G are owned by either Cypress or Garoge, directly or indirectly, in each case free and clear of all Liens and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such ownership interest), other than (i) restrictions under applicable securities laws and (ii) Liens that will be released prior to the Closing, and have not been issued in violation of pre-emptive or similar rights. Except as set forth in Section 5.1(b) of the C/G Disclosure Schedule and except for the capital stock and other ownership interest of their respective Subsidiaries, none of the C/G Companies owns, directly or indirectly, any equity, ownership, profit, voting or similar interest in or any other interest convertible, exchangeable or exercisable for, any equity, profit, voting or similar interest in, any Person.

Section 5.2 Authority Relative to this Agreement.

(a) Each of C/G has all requisite corporate power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed by C/G in connection with the consummation of the Mergers and the other transactions contemplated in this Agreement. The execution, delivery and performance by it of this Agreement and the Transaction Documents to which it is a party and the consummation by it of Mergers and the other transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of each of

Cypress and Garoge, and no other corporate proceedings on the part of each of Cypress and Garoge are necessary to authorize this Agreement or to consummate such transactions. This Agreement has been, and each of the Transaction Documents to which C/G are party will be at or prior to the Closing, duly and validly executed and delivered by each of Cypress and Garoge and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, this Agreement constitutes, and each such Transaction Document when so executed and delivered will constitute, the legal, valid and binding obligation of each of Cypress and Garoge, enforceable against Cypress and Garoge, as applicable, in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "Bankruptcy and Equity Exception").

(b) As of the date hereof, the boards of directors of each of C/G has unanimously by resolution duly adopted at a meeting duly called and held, approved and declared advisable this Agreement and the Contemplated Transactions and determined that it is in the best interests of each of C/G and their respective stockholders to enter into this Agreement.

Section 5.3 Capital Stock.

(a) The authorized capital stock of Cypress consists of 10,000 shares of Cypress Common Stock and no shares of preferred stock. As of the date hereof, 3,597.484 shares of Cypress Common Stock are issued and outstanding.

(b) The authorized capital stock of Garoge consists of 10,000 shares of Garoge Common Stock and no shares of preferred stock. As of the date hereof, 9,020 shares of Garoge Common Stock are issued and outstanding.

(c) Section 5.3(c) of the C/G Disclosure Schedule sets forth the names of and amounts held by each holder of record of Cypress Common Stock and Garoge Common Stock as of the date of this Agreement.

(d) All outstanding shares of Cypress Common Stock and Garoge Common Stock have been duly authorized and validly issued and are fully paid and nonassessable and free of Liens and have not been issued in violation of pre-emptive or similar rights. No shares of Cypress Common Stock or Garoge Common Stock are held by any Subsidiary of either of C/G.

(e) Except as set forth in subsections (a) and (b) above, as of the date hereof, there are no outstanding (i) shares of capital stock, voting securities or other equity interests of C/G; (ii) securities convertible into or exchangeable for shares of capital stock or voting securities of any of the C/G Companies; (iii) obligations, options, warrants or other rights, commitments or arrangements to acquire from any of the C/G Companies, or other obligations or commitments of any of the C/G Companies to issue, sell or otherwise transfer, any capital stock or other voting securities or ownership interests in, or any securities convertible into or exchangeable for capital stock or other voting securities or ownership interests in, any of the C/G Companies, or to provide a material amount of funds to, or make any material investment (in the form of a loan, capital contribution or otherwise) in, any of C/G's respective Subsidiaries; or (iv) restricted shares, restricted share units, stock appreciation rights, performance shares, contingent

value rights, "phantom" stock or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of, any capital stock of, or other voting securities or ownership interests in, any of the C/G Companies. For the avoidance of doubt, the foregoing is not intended to and does not include any C/G Intercompany Loans.

(f) The C/G Companies have no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible or exchangeable into or exercisable for securities having the right to vote) with the stockholders of C/G or any of their respective Subsidiaries on any matter.

(g) There are no (i) voting trusts, proxies, equityholders agreements or other similar agreements or understandings to which any of the C/G Companies is a party or by which any of the C/G Companies is bound with respect to the voting or registration of, or restricting any Person from purchasing, selling, pledging or otherwise disposing of, the capital stock or other equity interest of any of the C/G Companies; (ii) obligations or commitments restricting the transfer of, or requiring the registration for sale of, any shares of capital stock of any of the C/G Companies; or (iii) obligations or commitments of any of C/G to repurchase, redeem or otherwise acquire any of the Cypress/Garoge Common Stock or to make any investment (in the form of a loan, capital contribution or otherwise) in any Person (other than the partnerships described in Section 1.1(a) of the C/G Disclosure Schedule with respect to which the partnership interests currently owned by C/G will be distributed out of C/G prior to Closing as Excluded Cypress/Garoge Assets). For the avoidance of doubt, the foregoing is not intended to and does not include any C/G Intercompany Loans.

(h) All outstanding shares of Cypress/Garoge Common Stock have been issued and granted in compliance with (i) all applicable Laws and (ii) all requirements set forth in material contracts applicable to the issuance of Cypress/Garoge Common Stock and/or the issuance of equity interests of any Subsidiary of either of C/G.

Section 5.4 Governmental Consents and Approvals. Other than in connection with or in compliance with the DGCL and the DLLCA, the execution, delivery and performance by each of C/G of this Agreement do not, and the consummation by C/G of the Mergers or the other transactions contemplated hereby will not, require any filing or registration with, notification to, or authorization, permit, consent or approval of, or other action by or in respect of, any Governmental Entity other than (i) the approval of the Bankruptcy Court and the entry of the Confirmation Order and (ii) such other filings, registrations, notifications, authorizations, permits, consents, approvals or actions, the failure of which to take or obtain would not reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 5.5 Permits; Compliance with Laws. Each of the C/G Companies are in possession of all licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses as they are now being conducted, except for such licenses, franchises, permits and authorizations, the failure of which to hold would not reasonably be expected to have a C/G/S Material Adverse Effect, and each of the C/G Companies have complied with, and are in compliance with, all laws, statutes, codes, rules and regulations applicable to their respective businesses as they are now being conducted, except for such failure

to comply which would not reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 5.6 Financial Statements. C/G have previously delivered to Parent: (a) the audited consolidated balance sheets of Cypress for the fiscal year ended December 31, 2009, and the related audited consolidated statements of operations and cash flows, (b) the audited consolidated balance sheets of Garoge for the fiscal year ended December 31, 2009, and the related audited consolidated statements of operations and cash flows and (c) the unaudited consolidated balance sheets of each of C/G as of June 30, 2010 (the "Cypress/Garoge Balance Sheet Date"), and the related unaudited consolidated statements of operations and cash flows. All of the foregoing financial statements (including the notes thereto) are referred to as the "Cypress/Garoge Financial Statements." The Cypress/Garoge Financial Statements have been prepared in accordance with GAAP consistently applied with C/G's past practices (except, with respect to the unaudited financial statements, for normal year-end adjustments and the absence of certain footnotes and other disclosures required for audited financial statements) and present fairly the financial condition and operating results of each of C/G as of the dates, and for the periods, thereof.

Section 5.7 No Undisclosed Liabilities. Except (a) as reflected or reserved against in the Cypress/Garoge Financial Statements, (b) as permitted by this Agreement, (c) for liabilities and obligations incurred since the Cypress/Garoge Balance Sheet Date in the ordinary course of business consistent with past practice, (d) for liabilities or obligations which have been discharged or paid in full in the ordinary course of business consistent with past practice, and (e) as set forth in Section 5.7 of the C/G Disclosure Schedule, none of the C/G Companies has any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, except as would not reasonably be expected to have, individually or in the aggregate, a C/G/S Material Adverse Effect. For the avoidance of doubt, the foregoing is not intended to and does not include any C/G Intercompany Loans.

Section 5.8 Contracts.

(a) To the Knowledge of C/G, none of the C/G Companies nor any other party (i) is in violation or breach of or in default under (nor does there exist any condition which together with the passage of time or the giving of notice would result in a violation or breach of, or constitute a default under, or give rise to any right of termination, amendment, cancellation, acceleration or loss of benefits under, or result in the creation of any Lien upon any of the properties or assets of any of the C/G Companies under) any Contract to which any of the C/G Companies is a party, which Contract is, or is reasonably expected to be, individually or in the aggregate, material to Target taken as a whole (a "Cypress/Garoge Contract") or (ii) has otherwise failed to exercise an option under any Cypress/Garoge Contract which may adversely impact any of the C/G Companies' rights under a Cypress/Garoge Contract, in the case of clauses (i) and (ii), except as would not be reasonably expected to be, individually or in the aggregate, material to Target taken as a whole. Each Cypress/Garoge Contract is valid and binding in all respects upon, and enforceable against, the applicable C/G Company and, to the Knowledge of C/G, each other party thereto, and is in full force and effect, subject to the Bankruptcy and Equity Exception. Except as set forth in Section 5.8(a) of the C/G Disclosure Schedule, no C/G Company has given notice to any other Person that such Person has breached,

violated or defaulted under any Cypress/Garoge Contract. To the Knowledge of C/G, no other party to any such Cypress/Garoge Contract has alleged that any of the C/G Companies is in violation or breach of or in default under any such Cypress/Garoge Contract or has notified any of the C/G Companies of an intention to modify any material terms of or not to renew any such Cypress/Garoge Contract, except where such breach, default, modification or failure to renew is not reasonably expected to be, individually or in the aggregate, material to Target as a whole.

(b) Except as disclosed in Section 5.8(b) of the C/G Disclosure Schedule, none of the C/G Companies are a party to, or bound by, any undischarged written or oral (i) Non-Competition Agreement or (ii) agreement not entered into in the ordinary course of business between either Cypress or Garoge and any of their respective Affiliates that are not themselves a C/G Company.

Section 5.9 No Conflicts or Violations. Assuming the receipt of all consents and approvals described in Section 5.4, the execution, delivery and performance of this Agreement and the Transaction Documents to which it is party by either of C/G does not, and the consummation by it of the Mergers and the other transactions contemplated hereby and thereby will not (a) conflict with, or result in any breach of, any provision of the certificate of incorporation or bylaws of any of C/G or any similar organizational documents of any of their respective Subsidiaries; (b) violate, conflict with, require consent pursuant to, result in a breach of, constitute a default (with or without due notice or lapse of time or both) under, or give rise to a right (by any party other than the applicable C/G Company) of, or result in, the termination, cancellation, modification, acceleration or the loss of a benefit under, or result in the creation of any Lien upon any of the properties or assets of any of the C/G Companies under, any of the terms, conditions or provisions of any Contract to which Cypress, Garoge or any of their respective Subsidiaries is a party or by which any of its properties or assets may be bound; or (c) violate any Order or Law applicable to Cypress, Garoge, any of their respective Subsidiaries or any of their respective properties or assets, except, in the case of clauses (b) and (c) above, for any violation, conflict, consent, breach, default, termination, cancellation, modification, acceleration, loss or creation that would not be reasonably expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 5.10 Taxes.

(a) All Tax Returns required to be filed by or with respect to the C/G Companies have been timely filed, and all such Tax Returns are complete and correct in all material respects. The C/G Companies have timely paid all material Taxes owed by the C/G Companies whether or not shown on such Tax Returns, other than in those instances in which such Taxes are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP.

(b) There are no Tax Liens upon any of the assets or properties of the C/G Companies, other than with respect to Taxes not yet due and payable.

(c) No examination or audit of any Tax Return relating to any Taxes of the C/G Companies or with respect to any Taxes due from or with respect to the C/G Companies by any Governmental Authority is currently in progress or, to the Knowledge of C/G, threatened or

contemplated. No assessment of Tax has been proposed in writing against any of the C/G Companies or any of their assets or properties. There are no outstanding agreements, waivers or applications extending the statutory period of limitation applicable to any claim for, or the period for the collection or assessment of, any material Taxes due from or with respect to the C/G Companies for any taxable period.

(d) Except as set forth in Section 5.10(d) of the C/G Disclosure Schedule, no power of attorney granted by or with respect to any of the C/G Companies relating to taxes is currently in force. No closing agreement pursuant to Section 7121 of the Code (or any similar provision of any state, local or foreign law) has been entered into by or with respect to the C/G Companies.

(e) None of the C/G Companies has any liability for the Taxes of any Person (other than any of the C/G Companies) under Treasury Regulations Section 1.1502-6 (or any similar provision of any state, local or foreign law), as a transferee or successor, by contract, or otherwise.

(f) The C/G Companies have collected all material sales and use Taxes required to be collected, and have remitted, or will remit on a timely basis, such amounts to the appropriate Governmental Authorities, or have been furnished properly completed exemption certificates and have maintained all such records and supporting documents in the manner required by all applicable sales and use Tax statutes and regulations.

(g) None of the C/G Companies is a party to, or bound by, or has any obligation under, any tax allocation or sharing agreement or similar contract or arrangement that obligates it to make any payment computed by reference to the Taxes, taxable income or taxable losses of any other Person.

(h) None of the C/G Companies will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) change in method of accounting for a taxable period ending on or prior to the Closing Date, (B) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state or local income Tax law) executed on or prior to the Closing Date, (C) intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state or local income Tax law), (D) installment sale or open transaction disposition made on or prior to the Closing Date, (E) prepaid amount received on or prior to the Closing Date or (F) election under Section 108(i) of the Code or any similar provision of state or local Law.

(i) None of the C/G Companies has been either a "distributing corporation" or a "controlled corporation" in a distribution in which the parties to such distribution treated the distribution as one to which Section 355 of the Code is applicable.

(j) None of the C/G Companies has entered into a "listed transaction" that has given rise to a disclosure obligation under Section 6011 of the Code and the Treasury Regulations promulgated thereunder.

(k) As of the date of this Agreement, Cypress is, and has been since January 1, 2009, an S corporation as defined in Section 1361(a)(1) of the Code for United States federal and state income tax purposes and is eligible for such treatment. The IRS has not sent any correspondence questioning Cypress' status as an S corporation and, to the Knowledge of C/G, there is no basis to revoke the S election. Each of the Subsidiaries of Cypress (other than Astra Entertainment Group, LLC) is and has been, since its formation, a partnership or a disregarded entity for United States federal income tax purposes. Astra Entertainment Group, LLC is classified as a corporation for United States federal income tax purposes.

(l) The C/G Companies have a "historic business" or significant "historic business assets" within the meaning of Treasury Regulation Section 1.368-1(d). Each of the C/G Companies has not taken, and will not take, any action (including selling, disposing of or otherwise transferring assets) that would prevent Parent from continuing the historic business of the C/G Companies or from using a significant portion of its historic business assets in a business following the Mergers.

Section 5.11 Intellectual Property.

(a) Except where the failure would not reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole, each of the C/G Companies own or possess adequate licenses or other valid rights to use all Intellectual Property (including, without limitation, Intellectual Property rights that exist in the Films of the C/G Companies) necessary for the conduct of their businesses as conducted on the date hereof (collectively, the "Cypress/Garoge Intellectual Property"). Section 5.11(a) of the C/G Disclosure Schedule sets forth a complete and accurate list of all trademarks, service marks and domain names in which any of the C/G Companies purports to have an ownership interest. Such schedule will include the title of the mark or domain name and, in the case of trademarks and service marks, the registration, certificate or issuance number (or application number with respect to pending applications) and the date registered or issued (or filed with respect to pending applications) and the identification of the particular entity which holds the interest. None of the C/G Companies own or exclusively license any patents.

(b) Except where the failure would not reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole, each of the C/G Companies take and have taken reasonable measures, consistent with industry practice as of the date of this Agreement, to register, maintain and renew all trademarks, trade names, copyrights and service marks owned by each of the C/G Companies that are included in the Cypress/Garoge Intellectual Property.

(c) The Cypress/Garoge Intellectual Property and the conduct of the businesses of each of the C/G Companies as currently conducted do not Infringe any Intellectual Property right of any Person in any way that would be reasonably expected to be, individually or in the aggregate, material to Target taken as a whole. To the Knowledge of C/G, no third Person is Infringing any Cypress/Garoge Intellectual Property which would reasonably be expected to have, individually or in the aggregate, a C/G/S Material Adverse Effect, except for Infringement arising from unauthorized copying (e.g., piracy and "bootlegging", peer-to-peer file sharing over the Internet and the like). No legal proceedings are pending or, to the Knowledge of C/G,

threatened, that (i) assert that any Cypress/Garoge Intellectual Property or any action taken by any of the C/G Companies Infringes any Intellectual Property of any Person or that any Cypress/Garoge Intellectual Property or any action taken by any of the C/G Companies constitutes a libel, slander or other defamation of any Person or (ii) challenge the validity or enforceability of, or the rights of any of the C/G Companies in, any Cypress/Garoge Intellectual Property, which in each case of the foregoing clauses (i) and (ii) would reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole.

(d) The consummation of the Mergers and the other transactions contemplated hereby will not adversely affect any right or interest of any of C/G Companies in any Cypress/Garoge Intellectual Property in any way which would be reasonably expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 5.12 Films and Elements.

(a) Section 5.12(a) of the C/G Disclosure Schedule sets forth all of the Library Films with respect to which the C/G Companies own or control any rights or are entitled to a Participation or other economic interest (the "C/G Library Films").

(b) Section 5.12(b) of the C/G Disclosure Schedule identifies all distribution rights owned or controlled by any of the C/G Companies with respect to the C/G Library Films and identifies the availability dates as of the date hereof of the C/G Library Films in each media in the territories indicated.

(c) Each of the C/G Library Films is a feature-length motion picture that was produced in color on either 35MM or 70MM film, was submitted to the Motion Picture Association of America for rating and, except for the C/G Library Film entitled "1 Love" was released theatrically in the United States with a rating that is not more restrictive than the current rating equivalent to an "R" under the present system or its equivalent rating under any successor system and was produced primarily in the English language.

(d) Except as set forth in Section 5.12(d) of the C/G Disclosure Schedule, none of the C/G Companies have, as of the date of this Agreement, any material executory contractual obligations to any third Person relating to the distribution of any minimum number of prints, minimum advertising spend and/or minimum screen release obligations (i.e., minimum number of screens or markets) for any C/G Library Films (or any other Films owned or controlled by the C/G Companies that have not been released but for which principal photography has commenced or that has been completed).

(e) C/G have delivered to Parent a list that is complete and accurate in all material respects, setting forth all locations where any C/G Elements, set forth in subsections (i), (ii), (iii) and (iv) of the definition of Elements, that any of the C/G Companies own or have access to is maintained. To the extent such locations are owned or controlled by a third Person, the C/G Companies have laboratory access letters with respect to the C/G Elements at such locations. With respect to each of the C/G Library Films, the aforementioned C/G Elements owned or controlled by any of the C/G Companies are free and clear of all Liens other than Permitted Liens, customary laboratory pledge agreements and rights of access by third Persons

having contractual rights of access thereto), except where such Liens or third Persons rights of access would not be reasonably expected to have a C/G/S Material Adverse Effect.

(f) Section 5.12(f) of the C/G Disclosure Schedule sets forth as of the date of this Agreement (or, with respect to the Closing, updated as of the Closing) (i) a list of the Films of the C/G Companies that have not been released and for which principal photography or post-production has commenced, which are being (or are to be) produced by any of the C/G Companies, or which any of the C/G Companies have "greenlit" or committed to finance, in whole or in part, or acquire any ownership interest, distribution rights or other rights from a third Person (collectively, the "C/G Films in Progress"), together with a summary of the following with respect to each such C/G Film In Progress: (A) a budget and production schedule, if available, (B) all material costs and expenses paid by any of the C/G Companies, (C) all remaining material amounts that such C/G Company is obligated to pay (including a list of print and advertising and release commitments, if any), and (D) the names of "above-the-line" talent attached to each such C/G Film In Progress and the fixed and contingent compensation payable to each such Person, if known; and (ii) a list of all Significant Unproduced Properties of the C/G Companies (the "C/G Significant Unproduced Properties"), together with a summary of the following with respect to each such C/G Significant Unproduced Property: (A) all material costs and expenses paid by the C/G Companies, (B) all remaining material amounts that any of the C/G Companies is obligated to pay (including a list of print and advertising and release commitments, if any), (C) to C/G's Knowledge, any applicable option period expiration dates, reversion dates or other applicable dates when any material rights may become unavailable for use by the C/G Companies in connection with the possible production of such C/G Significant Unproduced Property, and (D) the names of "above-the-line" talent attached to each such C/G Significant Unproduced Property and the fixed and contingent compensation payable to each such Person, if known.

(g) No third Person has any put right or other right, which, if exercised would require any of the C/G Companies to produce, finance in whole or in part, acquire any rights in or to, or "greenlight" any Theatrical Motion Picture or direct-to-video/DVD or made-for-television programming that has not yet commenced principal photography.

(h) The relevant C/G Company has obtained proper and effective licenses or grants of authority (or is the beneficiary of such licenses or grants of authority obtained by one or more third Persons) to use the results and proceeds of the services of performers and other Persons in connection with the C/G Library Films, to the extent reasonably necessary to exercise all rights of such C/G Company therein in a manner consistent with the past practice of the C/G Companies.

(i) Except as set forth in Section 5.12(i) of the C/G Disclosure Schedule, all music rights contained in the C/G Library Films are (i) available by license from American Society for Composers, Authors and Publishers, Broadcast Music Inc. or SESAC, Inc., (ii) in the public domain or (iii) controlled by a C/G Company directly or through licenses.

(j) The credits maintained in the main and end titles of each C/G Library Film comply in all material respects with all obligations with respect thereto, including without

limitation, contractual obligations to third Persons who rendered services in connection with the C/G Library Films and all applicable guild agreements.

(k) To the Knowledge of C/G, to the extent that the C/G Library Films are Exploited from and after the Closing Date in a manner consistent with past practice of the C/G Companies, such Exploitation will not be subject to any limitations outside of the ordinary course (or otherwise customary within the United States film industry taking into account the applicable talent and applicable guild collective bargaining agreements) with respect to the use of performers' names, likenesses and biography (including, without limitation, the dissemination, reproduction, printing and publishing thereof for the purpose of advertising, printing and exploiting the applicable C/G Library Film), editing rights (e.g., the ability to make such cuts, alterations, additions and variations of and in any part of the C/G Library Films (including the dubbing-in of languages) and credit rights and obligations that are not set forth in Section 5.12(k) of the C/G Disclosure Schedule.

(l) Section 5.12(l) of the C/G Disclosure Schedule sets forth a summary of all Participation obligations with respect to each of the C/G Library Films that a C/G Company is responsible for calculating and directly paying to one or more third Person, and that the C/G Companies reasonably project will become payable.

Section 5.13 Litigation. Except as set forth in Section 5.13 of the C/G Disclosure Schedule and except as would not reasonably expected to be, individually or in the aggregate, material to Target taken as a whole, (i) there is no suit, claim, action, proceeding, arbitration or investigation pending before any Governmental Entity against any C/G Company or, to the Knowledge of C/G, threatened against any of the C/G Companies or their respective assets or properties; provided that this clause (i) is not intended to address any suit, claim, action, proceeding, arbitration or investigation of the type described in clauses (a) and (b) of the second sentence of this Section 5.13, and (ii) none of the C/G Companies is subject to any outstanding Order or Orders. As of the date hereof, there is no suit, claim, action, proceeding, arbitration or investigation pending or, to the Knowledge of C/G, threatened against any of the C/G Companies, (a) which seeks to, or would be reasonably expected to, restrain, enjoin or delay the consummation of the Mergers or the other transactions contemplated herein or (b) which seeks damages in connection therewith, and no injunction has been entered or issued with respect to the transactions provided for herein.

Section 5.14 Absence of Certain Changes or Events. Except for the negotiation (including activities related to due diligence), execution and delivery of this Agreement and the other Transaction Documents, (a) since January 1, 2010, each of the C/G Companies has conducted its respective business only in the ordinary course consistent with past practice, and (b) to the Knowledge of C/G, since January 1, 2010, there has not been any event or events that has had or would reasonably be expected to have, individually or in the aggregate, a C/G/S Material Adverse Effect.

Section 5.15 Required Vote of the Stockholders of C/G. The affirmative vote of holders of a majority of the outstanding shares of Cypress Common Stock, voting together as a single class, and Garoge Common Stock, voting together as a single class, is the only vote or

consent of holders of securities of each of Cypress and Garoge that is required to approve this Agreement and the Mergers.

Section 5.16 Employment Benefit Plans. None of the C/G Companies maintain any C/G Benefit Plans or C/G Foreign Plans (other than any immaterial plans that are not subject to ERISA), nor do the C/G Companies have any liabilities or obligations in respect of any current or former employees of the C/G Companies that would reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 5.17 Brokers and Finders; Transaction Expenses. No person engaged by or acting on behalf of any of the C/G Companies, the Undersigned C/G Stockholders, Spyglass or any Affiliate thereof is entitled to any brokerage, financial advisory, finder's or similar fee or commission in connection with transactions contemplated by this Agreement for which Parent or Merger Sub could have any liability, other than with respect to the valuation fees and expenses of the Salter Group.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF SPYGLASS

Except as disclosed in the disclosure schedule delivered by Spyglass to Parent immediately prior to the execution of this Agreement and attached hereto as Exhibit I (the "Spyglass Disclosure Schedule"), which identifies the sections (or, if applicable, subsections) to which such exceptions relate (provided that any disclosure in the Spyglass Disclosure Schedule relating to one section or subsection shall also apply to other sections and subsections to the extent that it is reasonably apparent that such disclosure would also apply to or qualify such other sections and subsections), Spyglass represents and warrants to Parent and Merger Sub as follows:

Section 6.1 Qualification; Organization; Subsidiaries. Each of the Spyglass Companies is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or limited liability company power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is in good standing as a foreign limited liability company or corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except for those jurisdictions where the failure to be so organized, validly existing, qualified or in good standing, or to have such power or authority, would not reasonably be expected to have, individually or in the aggregate, a C/G/S Material Adverse Effect.

Section 6.2 Authority Relative to this Agreement. Spyglass has all requisite limited liability company power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed by Spyglass in connection with the consummation of the Contribution and the other transactions contemplated in this Agreement. The execution, delivery and performance by it of this Agreement and the Transaction Documents to which it is a party and the consummation by it of the Contribution and the other transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action on the part of Spyglass, and no other

limited liability company proceedings on the part of Spyglass is necessary to authorize this Agreement or to consummate such transactions. This Agreement has been, and each of such Transaction Documents to which the Spyglass Companies are party will be at or prior to the Closing, duly and validly executed and delivered by Spyglass and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, this Agreement constitutes, and each such Transaction Document when so executed and delivered, will constitute, the legal, valid and binding obligation of Spyglass, enforceable against Spyglass, as applicable, in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 6.3 Governmental Consents and Approvals. Other than in connection with or in compliance with the DGCL and the DLLCA, the execution, delivery and performance by Spyglass of this Agreement and the other Transaction Documents to which it is a party does not, and the consummation by Spyglass of the Contribution or the other transactions contemplated hereby and thereby, in each case, to which it is a party, will not, require any filing or registration with, notification to, or authorization, permit, consent or approval of, or other action by or in respect of, any Governmental Entity other than (i) the approval of the Bankruptcy Court and the entry of the Confirmation Order and (ii) such other filings, registrations, notifications, authorizations, permits, consents, approvals or actions, the failure of which to take or obtain would not reasonably be expected to have, individually or in the aggregate, a C/G/S Material Adverse Effect.

Section 6.4 No Conflicts or Violations. Except as set forth in Section 6.4 of the Spyglass Disclosure Schedule and assuming the receipt of all consents and approvals described in Section 6.3, the execution, delivery and performance of this Agreement and the Transaction Documents to which it is a party by Spyglass does not, and the consummation by it of the Contribution and the other transactions contemplated hereby and thereby, in each case, to which it is a party will not (a) conflict with, or result in any breach of, any provision of the certificate of incorporation or bylaws of any of Spyglass or any similar organizational documents of any of its Subsidiaries, (b) violate, conflict with, require consent pursuant to, result in a breach of, constitute a default (with or without due notice or lapse of time or both) under, or give rise to a right (by any party other than the Spyglass or any of its Subsidiaries) of, or result in, the termination, cancellation, modification, acceleration or the loss of a benefit under, or result in the creation of any Lien upon any of the Contributed Assets under, any of the terms, conditions or provisions of any Contract to which any of the Spyglass Companies is a party or any of the Contributed Assets is subject or (c) violate any Order or Law applicable to any of the Spyglass Companies in connection with the Contributed Assets, except, in the case of clauses (b) and (c) above, for any violation, conflict, consent, breach, default, termination, cancellation, modification, acceleration, loss or creation that would not be reasonably expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 6.5 Spyglass Development Projects and Other Contributed Assets.

(a) Section 6.5(a) of the Spyglass Disclosure Schedule sets forth all of the Development Projects to be contributed by Spyglass to Parent (or, if applicable, the Designated Subsidiary) in connection with the Contribution (the "Spyglass Development Projects"); provided, that Spyglass may continue to develop the Unexecuted Development Projects as described in Section 9.2(b)(iii) and, in the event that Spyglass consummates an arrangement with

respect to any such Unexecuted Development Projects prior to the Closing Date, such Unexecuted Development Project shall be deemed to be a Spyglass Development Project for all purposes hereof.

(b) Section 6.5(b) of the Spyglass Disclosure Schedule sets forth a summary of the rights arrangements with respect to each Spyglass Development Project, including an identification of such Spyglass Development Project as a Spyglass Company development, "producer-for-hire" arrangement or co-development project. With respect to each Spyglass Development Project designated as a "Spyglass development project" in Section 6.5(b) of the Spyglass Disclosure Schedule, a Spyglass Company owns, controls or has optioned or licensed the underlying rights thereto necessary to develop such Spyglass Development Project as a Theatrical Motion Picture.

(c) The G.I. Joe Co-Financing Agreement and the Wanted Co-Financing Agreement are in full force and effect, and the applicable Spyglass Company is entitled to the G.I. Joe/Wanted Co-Financing Rights indicated thereunder.

(d) Except as set forth in Section 6.5(d) of the Spyglass Disclosure Schedule, none of the Spyglass Companies have, as of the date of this Agreement, any material executory contractual obligations to any third Persons relating to the distribution of any minimum number of prints, minimum advertising spend and/or minimum screen release obligations (i.e., minimum number of screens or markets) for any of the Spyglass Development Projects.

(e) None of the Spyglass Companies own or have any rights, title or interests in any Spyglass Elements described in clauses (i) through (iv) of the definition of "Elements".

(f) Section 6.5(f) of the Spyglass Disclosure Schedule sets forth as of the date of this Agreement (or, with respect to the Closing, updated as of the Closing) (i) a list of the Spyglass Development Projects that have not been released and for which principal photography or post-production has commenced, which are being (or are to be) produced by any of the Spyglass Companies, or which any of the Spyglass Companies have "greenlit" or committed to a third Person to finance, in whole or in part, or acquire any ownership interest, distribution rights or other rights from a third Person (collectively, the "Spyglass Films in Progress"), together with a summary of the following with respect to each such Spyglass Film In Progress: (A) a budget and production schedule, if available, (B) all material costs and expenses paid by any of the Spyglass Companies, (C) all remaining material amounts that such Spyglass Company is obligated to pay (including a list of print and advertising and release commitments, if any), and (D) the names of "above-the-line" talent attached to each such Spyglass Film In Progress and the fixed and contingent compensation payable to each such Person, if known; and (ii) a list of all Significant Unproduced Properties of the Spyglass Companies (the "Spyglass Significant Unproduced Properties"), together with a summary of the following with respect to each such Spyglass Significant Unproduced Property: (A) all material costs and expenses paid by the Spyglass Companies, (B) all remaining material amounts that any of the Spyglass Companies is obligated to pay (including a list of print and advertising and release commitments, if any), (C) to Spyglass' Knowledge, any applicable option period expiration dates, reversion dates or other applicable dates when any material rights may become unavailable for use by the Spyglass Companies in connection with the possible production of such Spyglass Significant Unproduced

Property, and (D) the names of "above-the-line" talent attached to each such Spyglass Significant Unproduced Property and the fixed and contingent compensation payable to each such Person, if known.

(g) The relevant Spyglass Company has obtained proper and effective licenses or grants of authority to use the results and proceeds of the services of performers and other Persons party to an existing Spyglass Contract in connection with the Spyglass Development Projects to the extent reasonably necessary to exercise all rights of such Spyglass Company therein in a manner consistent with the past practice of the Spyglass Companies.

(h) Section 6.5(h) of the Spyglass Disclosure Schedule sets forth a summary of all Participation obligations with respect to the Contributed Assets.

(i) Other than as set forth in Section 6.5(i) of the Spyglass Disclosure Schedule, and other than customary "turnaround" or reversionary rights, no buy/sell agreements or similar arrangements exist with respect to any of the Contributed Assets and no third Person has any entitlement to co-finance the production of any of the Spyglass Development Projects.

Section 6.6 Litigation. Except as set forth in Section 6.6 of the Spyglass Disclosure Schedule and except as would not reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole, (i) there is no suit, claim, action, proceeding, arbitration or investigation pending before any Governmental Entity or, to the Knowledge of Spyglass, threatened against any of the Spyglass Companies in relation to the Contributed Assets; provided that this clause (i) is not intended to address any suit, claim, action, proceeding, arbitration or investigation of the type described in the clauses (a) and (b) of the second sentence of this Section 6.6, and (ii) none of the Spyglass Companies are subject to any outstanding Order or Orders in relation to the Contributed Assets. As of the date hereof, there is no suit, claim, action, proceeding, arbitration or investigation pending or, to the Knowledge of Spyglass, threatened against any of the Spyglass Companies, (a) which seeks to, or would be reasonably expected to, restrain, enjoin or delay the consummation of the Contribution or the other transactions contemplated herein or (b) which seeks damages in connection therewith, and no injunction has been entered or issued with respect to the transactions provided for herein.

Section 6.7 Absence of Certain Changes or Events. Except for the negotiation (including activities related to due diligence), execution and delivery of this Agreement and the other Transaction Documents, since January 1, 2010, each of the Spyglass Companies has conducted its respective business in the ordinary course with respect to the Contributed Assets.

Section 6.8 Contracts. To the Knowledge of Spyglass, none of the Spyglass Companies or any other Party (i) is in violation or breach of or in default under (nor does there exist any condition which together with the passage of time or the giving of notice would result in a violation or breach of, or constitute a default under, or give rise to any right of termination, cancellation, acceleration or loss of benefits under, or result in the creation of any Lien (other than Permitted Liens) upon any of the Contributed Assets under) any material Assumed Contract, or (ii) has otherwise failed to exercise an option under any such Assumed Contract described in clause (i) above which may adversely impact any of the Spyglass Companies' rights in and to a Contributed Asset under an Assumed Contract, in the case of clause (ii), except as

would not be reasonably expected to be, individually or in the aggregate, material to Target taken as a whole. Other than those contracts designated as unexecuted or unsigned in Section 1.1(b) of the Spyglass Disclosure Schedule, each Assumed Contract is valid and binding in all respects upon, and enforceable against, the applicable Spyglass Company and, to the Knowledge of Spyglass, each other party thereto, and is in full force and effect, subject to the Bankruptcy and Equity Exception. No Spyglass Company has given notice to any other Person that such Person has breached, violated or defaulted under any Assumed Contract. To the Knowledge of Spyglass, no other party to any such Assumed Contract has alleged that any of the Spyglass Companies is in violation or breach of or in default under any such Assumed Contract or has notified any of the Spyglass Companies of an intention to, modify any material terms of or not to renew any such Assumed Contract, except where such breach, default, modification or failure to renew would not reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 6.9 Investment. Spyglass is accepting the Parent Common Stock to be issued to it hereunder for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities laws. Spyglass is an "accredited investor" as defined in Regulation D promulgated by the SEC under the Securities Act. Spyglass acknowledges that it is informed as to the risks of the transactions contemplated hereby and of ownership of the Parent Common Stock. Spyglass acknowledges that the Parent Common Stock has not been registered under the Securities Act, or any state or foreign securities laws and that the Parent Common Stock may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act and the Parent Common Stock is registered under any applicable state or foreign securities laws or sold pursuant to an exemption from registration under the Securities Act and any applicable state or foreign securities laws.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES OF THE UNDERSIGNED C/G STOCKHOLDERS

Each Undersigned C/G Stockholder represents and warrants, severally, but not jointly, to Parent and Merger Sub as follows:

Section 7.1 Authority Relative to this Agreement. If such Undersigned C/G Stockholder is a legal entity, (a) such Undersigned C/G Stockholder has all requisite corporate, partnership, limited liability company, and/or trust power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate to be executed by such Undersigned C/G Stockholder in connection with the consummation of the transactions contemplated in this Agreement and (b) the execution, delivery and performance of this Agreement and the Transaction Documents to which it is a party and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate, partnership, limited liability company and/or trust action on the part of such Undersigned C/G Stockholder, and no other corporate proceedings on the part of such

Undersigned C/G Stockholder is necessary to authorize this Agreement or to consummate such transactions. This Agreement has been, and each of such Transaction Documents to which it is a party will be at or prior to the Closing, duly and validly executed and delivered by such Undersigned C/G Stockholder and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, this Agreement constitutes, and each such Transaction Document when so executed and delivered, will constitute, the legal, valid and binding obligation of such Undersigned C/G Stockholder, enforceable against such Undersigned C/G Stockholder, as applicable, in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Section 7.2 No Conflicts or Violations. Assuming the receipt of all consents and approvals described in Section 7.3, the execution, delivery and performance of this Agreement and the Transaction Documents to which it is a party by such Undersigned C/G Stockholder does not, and the consummation by it of the transactions contemplated hereby and thereby will not (a) if such Undersigned C/G Stockholder is a legal entity, conflict with, or result in any breach of, any provision of the certificate of incorporation or bylaws or similar organizational documents of such Undersigned C/G Stockholder, (b) violate, conflict with, require consent pursuant to, result in a breach of, constitute a default (with or without due notice or lapse of time or both) under, or give rise to a right of, or result in, the termination, cancellation, modification, acceleration or the loss of a benefit under, or result in the creation of any Lien upon any of the Cypress/Garoge Common Stock of such Undersigned C/G Stockholder under, any of the terms, conditions or provisions of any material Contract to which such Undersigned C/G Stockholder is a party or any of the Cypress/Garoge Common Stock of such Undersigned C/G Stockholder is subject or (c) violate any Order or Law applicable to such Undersigned C/G Stockholder in connection with the Cypress/Garoge Common Stock, except, in the case of clauses (b) and (c) above, for any violation, conflict, consent, breach, default, termination, cancellation, modification, acceleration, loss or creation that would not reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 7.3 Governmental Consents and Approvals. Other than in connection with or in compliance with the DGCL or the DLLCA, the execution, delivery and performance by such Undersigned C/G Stockholder of this Agreement does not, and the consummation by such Undersigned C/G Stockholders of the transactions contemplated hereby with respect to the C/G Companies will not, require any filing or registration with, notification to, or authorization, permit, consent or approval of, or other action by or in respect of, any Governmental Entity other than (i) the approval of the Bankruptcy Court and the entry of the Confirmation Order and (ii) such other filings, registrations, notifications, authorizations, permits, consents, approvals or actions, the failure of which to take or obtain would not reasonably be expected to be, individually or in the aggregate, material to Target taken as a whole.

Section 7.4 Title to Shares. Subject to any Third Party Transfers pursuant to Section 9.6, such Undersigned C/G Stockholder is the record and beneficial owner of the number of Cypress Common Stock or Garoge Common Stock set forth opposite such Undersigned C/G Stockholder's name in Section 5.3(c) of the C/G Disclosure Schedule. Subject to any Third Party Transfers pursuant to Section 9.6, such Undersigned C/G Stockholder has and at the Closing will have good and valid marketable title to such Cypress Common Stock or Garoge Common Stock set forth opposite such Undersigned C/G Stockholder's name in Section 5.3(c) of

the C/G Disclosure Schedule and the right to deliver such Cypress Common Stock or Garoge Common Stock to Parent in accordance with this Agreement, free and clear of all Liens other than restrictions under applicable securities laws. Subject to any Third Party Transfers pursuant to Section 9.6, no Person other than such Undersigned C/G Stockholder has any existing right, agreement, claim, option or privilege to purchase, sell, transfer, own, acquire or dispose of any of the Cypress Common Stock or Garoge Common Stock owned by such Undersigned C/G Stockholder.

Section 7.5 Investment. Except as otherwise described herein with respect to Third Party Transfers, such Undersigned C/G Stockholder is accepting the Parent Common Stock to be issued to it hereunder for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities laws. Such Undersigned C/G Stockholder is an "accredited investor" as defined in Regulation D promulgated by the SEC under the Securities Act. Such Undersigned C/G Stockholder acknowledges that it is informed as to the risks of the transactions contemplated hereby and of ownership of the Parent Common Stock. Such Undersigned C/G Stockholder acknowledges that the Parent Common Stock has not been registered under the Securities Act, or any state or foreign securities laws and that the Parent Common Stock may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act and the Parent Common Stock is registered under any applicable state or foreign securities laws or sold pursuant to an exemption from registration under the Securities Act and any applicable state or foreign securities laws.

Section 7.6 Management Stockholders. Except as set forth in Section 7.6 of the C/G Disclosure Schedule, the Management Stockholders are not subject to any employment agreement, non-competition agreement or other similar arrangement that would prevent them from being employed by the MGM Companies on the terms set forth in the Employment Agreements.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Except as disclosed in the disclosure schedule delivered by Parent to C/G and Spyglass immediately prior to the execution of this Agreement as set forth in Exhibit J (the "Parent Disclosure Schedule"), which identifies the sections (or, if applicable, subsections) to which such exceptions relate (provided that any disclosure in the Parent Disclosure Schedule relating to one section or subsection shall also apply to other sections and subsections to the extent that it is reasonably apparent that such disclosure would also apply to or qualify such other sections and subsections), Parent and Merger Sub represent and warrant to C/G, Spyglass and the Undersigned C/G Stockholders, as follows:

Section 8.1 Qualification; Organization; Subsidiaries.

(a) Except as set forth in Section 8.1(a) of the Parent Disclosure Schedule, each of the MGM Companies is a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except for those jurisdictions where the failure to be so organized, validly existing, qualified or in good standing, or to have such power or authority, would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Parent has made available to C/G and Spyglass prior to the date of this Agreement a true and complete copy of its articles of incorporation and bylaws, each as amended through the date hereof (the "Parent Organizational Documents") and has made available to C/G and Spyglass prior to the date of this Agreement a true and complete copy of the articles of incorporation and bylaws or other equivalent organizational documents of each of its principal operating Subsidiaries, including Merger Sub, each as amended through the date hereof (the "MGM Subsidiary Organizational Documents", and, together with the Parent Organizational Documents, the "MGM Organizational Documents"). The MGM Organizational Documents so delivered are in full force and effect, and none of the MGM Companies are in violation of the MGM Organizational Documents in any material respect.

(b) Section 8.1(b) of the Parent Disclosure Schedule lists each Subsidiary of Parent and its jurisdiction of organization. All of the outstanding shares of capital stock or other ownership interests of each Subsidiary of Parent have been validly issued and are fully paid and nonassessable. Except as set forth in Section 8.1(b) of the Parent Disclosure Schedule, all of the outstanding shares of capital stock or other ownership interests of each Subsidiary of Parent are owned by Parent, directly or indirectly, in each case free and clear of all Liens and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such ownership interest, other than restrictions under applicable securities laws) and have not been issued in violation of pre-emptive or similar rights.

Section 8.2 Authority Relative to this Agreement.

(a) Parent and Merger Sub have all requisite corporate power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement to be executed by Parent and/or Merger Sub in connection with the Contemplated Transactions. The execution, delivery and performance of this Agreement and the Transaction Documents to which it is party and the consummation by it of the Mergers and the Contribution and the other transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of each of Parent and Merger Sub, and no other corporate proceedings on the part of Parent or Merger Sub are necessary to authorize this Agreement or to consummate such transactions. This Agreement has been, and each of such Transaction Documents to which it is party will be at or prior to the Closing, duly and validly executed and delivered by Parent and Merger Sub and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, this Agreement constitutes, and each such Transaction Document when so executed and delivered, will

constitute, the legal, valid and binding obligation of Parent and Merger Sub, enforceable against Parent or Merger Sub, as applicable, in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(b) As of the date hereof, (i) the board of directors of Parent has by resolution, duly adopted at a meeting duly called and held (x) approved and declared advisable this Agreement and the transactions contemplated hereby, (y) determined that it is in the best interests of Parent and Merger Sub to enter into this Agreement and (z) resolved to recommend to the creditors of Parent that it is in their best interests to vote to accept the Plan and (ii) Parent, as the sole member of Merger Sub, has adopted this Agreement and approved the Mergers.

Section 8.3 Capital Stock.

(a) As of the date hereof, the authorized capital stock of Parent consists solely of 3,701,550,500 shares, which is comprised of (i) 3,700,000,000 shares of Class A common stock (the "Class A Common Stock"), par value $0.01 per share, (ii) 500 shares of Class B common stock (the "Class B Common Stock"), par value $0.01 per share, (iii) 1,000,000 shares of 14% senior preferred stock (the "Senior Preferred Stock"), par value $0.01 per share and (iv) 550,000 shares of 10% junior preferred stock (the "Junior Preferred Stock"), par value $0.01 per share, of which 531,133,391 shares of Class A Common Stock, 500 shares of Class B Common Stock, 768,067,250 shares of Senior Preferred Stock and 64,819 shares of Junior Preferred Stock are issued and outstanding, all of which are duly authorized, validly issued, fully paid, nonassessable and free of any Liens (except Permitted Liens) and have not been issued in violation of pre-emptive or similar rights. The Plan will provide for the cancellation, upon the Closing and after giving effect to the Confirmation Order and the Plan, of all then existing or outstanding (i) shares of capital stock, voting securities or other equity interests of Parent; (ii) securities convertible into or exchangeable for shares of capital stock or voting securities of Parent; (iii) obligations, options, warrants or other rights, commitments or arrangements to acquire from Parent, or other obligations or commitments of Parent to issue, sell or otherwise transfer, any capital stock or other voting securities or ownership interests in, or any securities convertible into or exchangeable for capital stock or other voting securities or ownership interests in Parent; or (iv) restricted shares, restricted share units, stock appreciation rights, performance shares, contingent value rights, "phantom" stock or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of, any capital stock of, or other voting securities or ownership interests in Parent.

(b) Pursuant to the Plan, upon and after giving effect to the Closing and after giving effect to the Confirmation Order and the Plan, the authorized capital stock of reorganized Parent shall consist of 110,000,000 shares of common stock, par value $0.01 per share, of which 76,800,000 shares shall be issued and outstanding, all of which as of the Closing shall be duly authorized, validly issued, fully paid, nonassessable and free of any Liens and shall have not been issued in violation of pre-emptive or similar rights. Except as set forth in Section 8.3(b) of the Parent Disclosure Schedule, after giving effect to the Confirmation Order and the Plan, the MGM Companies will have no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible or exchangeable into or exercisable for securities having the right to vote) with the stockholders of the MGM Companies or any of their respective Subsidiaries on any matter.

(c) Except as set forth in Section 8.3(c) of the Parent Disclosure Schedule, after giving effect to the Confirmation Order and Plan and the Closing, except as set forth in the Stockholders Agreement and the Senior Management Equity Investment Plan, there shall be no (i) voting trusts, proxies, equityholders agreements or other similar agreements or understandings to which any of the MGM Companies is bound with respect to the voting or registration of, or restricting any Person from purchasing, selling, pledging or otherwise disposing of, the capital stock or other equity interest of any of the MGM Companies; (ii) obligations or commitments restricting the transfer of, or requiring the registration for sale of, any shares of capital stock of any of the MGM Companies; or (iii) obligations or commitments of Parent to issue, repurchase, redeem or otherwise acquire any of the Parent Common Stock, and there shall not be any outstanding obligations, options, warrants or other rights, commitments or arrangements to acquire from Parent, or other obligations or commitments of Parent to issue, sell or otherwise transfer, any capital stock or other voting securities or ownership interests in, or any securities convertible into or exchangeable for capital stock or other voting securities or ownership interests in Parent or to provide a material amount of funds to, or make any material investment (in the form of a loan, capital contribution or otherwise) in, any Subsidiary of Parent, other than obligations or commitments to make material investments (in the form of a loan, capital contribution or otherwise) in non-debtor Subsidiaries of Parent in the ordinary course consistent with past practice. The rights, preferences and privileges of the capital stock of Parent shall be as set forth in the certificate of incorporation (including any certificates of designation, as applicable) of Parent, as amended pursuant to the Plan and in effect upon the Closing.

(d) As of the date of this Agreement, the authorized limited liability company interests of Merger Sub consist of 1000 membership units, all of which are validly issued and outstanding. All of the issued and outstanding membership units of limited liability company ownership interests of Merger Sub are, and at the Closing Date will be, owned by Parent or a direct or indirect wholly-owned Subsidiary of Parent. Merger Sub has outstanding no option, warrant, right or any other agreement pursuant to which any person other than Parent may acquire any equity security of Merger Sub. Merger Sub has not conducted any business prior to the date hereof and has no, and prior to the Closing Date will have no, assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and the Mergers and the other transactions contemplated by this Agreement. Merger Sub is, and on the Closing Date will be, disregarded as a separate entity from Parent as contemplated by Treasury Regulations Section 301.7701-3.

Section 8.4 Governmental Consents and Approvals. Except as set forth in Section 8.4 of the Parent Disclosure Schedule and other than in connection with or in compliance with the DGCL and the DLLCA, the execution, delivery and performance by each of Parent and Merger Sub of this Agreement and the other Transaction Documents to which they are party do not, and the consummation by Parent or Merger Sub of the Contemplated Transactions will not, require any filing or registration with, notification to, or authorization, permit, consent or approval of, or other action by or in respect of, any Governmental Entity other than (i) the approval of the Bankruptcy Court and the entry of the Confirmation Order and (ii) such other filings, registrations, notifications, authorizations, permits, consents, approvals or actions, the failure of which to take or obtain would not reasonably be expected to have a Parent Material Adverse Effect.

Section 8.5 Permits; Compliance with Laws. Except as set forth in Section 8.5 of the Parent Disclosure Schedule, each of the MGM Companies are in possession of all licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses as they are now being conducted, except for such licenses, franchises, permits and authorizations, the failure of which to hold would not reasonably be expected to have a Parent Material Adverse Effect, and each of the MGM Companies have complied with, and are in compliance with, all laws, statutes, codes, rules and regulations applicable to their respective businesses as they are now being conducted, except for such failure to comply which would not reasonably be expected to have a Parent Material Adverse Effect.

Section 8.6 Financial Statements. Parent has previously delivered to Spyglass and C/G (a) the audited consolidated balance sheet of Parent for the fiscal year ended March 31, 2009, and the related audited consolidated statements of operations and cash flows and (b) unaudited condensed consolidated balance sheet of Parent as of March 31, 2010, and the related unaudited condensed consolidated statements of operations and cash flows. All of the foregoing financial statements (including the notes thereto) are referred to as the "Parent Financial Statements." Other than as set forth in Section 8.6 of the Parent Disclosure Schedule, the Parent Financial Statements have been prepared in accordance with GAAP consistently applied with Parent's past practices (except, with respect to the unaudited financial statements, for certain assumptions and adjustments that are subject to auditor review and the absence of certain footnotes and other disclosures required for audited financial statements) and present fairly the financial condition and operating results of Parent as of the dates, and for the periods, thereof.

Section 8.7 No Undisclosed Liabilities. Except (a) as set forth in Section 8.7 of the Parent Disclosure Schedule, (b) as reflected or reserved against in the Parent Financial Statements, (c) as permitted by this Agreement, (d) for liabilities and obligations incurred since March 31, 2009 in the ordinary course of business consistent with past practice and (e) for liabilities or obligations which have been discharged or paid in full in the ordinary course of business consistent with past practice, as of the date hereof, none of the MGM Companies have any liabilities or obligations of any nature, whether or not accrued, contingent or otherwise, other than those which would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 8.8 Employee Benefit Plans.

(a) Section 8.8(a) of the Parent Disclosure Schedule contains a list of all MGM Benefit Plans (excluding any employment or consulting agreements) (other than (i) any such plan that is maintained for the purpose of complying with any non-United States Law or (ii) any immaterial plan that is not subject to ERISA) (the "Scheduled Plans"). With respect to the Scheduled Plans (other than Multiemployer Plans), Parent has delivered or made available to Spyglass and C/G true, complete and correct copies of (i) each such Scheduled Plan (or, in the case of any unwritten MGM Benefit Plans, descriptions thereof); (ii) the three (3) most recent annual reports on Form 5500 filed with the IRS with respect to each such Scheduled Plan (if any such report was required); (iii) the most recent summary plan description and all subsequent summaries of material modifications for each such Scheduled Plan for which such summary plan description is required; (iv) each trust agreement and group annuity contract relating to any Scheduled Plan; (v) the most recent determination letter from the IRS, if any; (vi) the most recent

actuarial valuation, if any; and (vii) material non-routine correspondence to or from any Governmental Entity within the past three (3) years. Each MGM Benefit Plan (other than a Multiemployer Plan) has, in all material respects, been established, funded, maintained and administered in compliance with its terms and with the applicable provisions of ERISA, the Code and all other applicable Laws, except where the failure to do so could not reasonably be expected to result in a Parent Material Adverse Effect. There are no material amendments to any MGM Benefit Plan or the establishment of any new MGM Benefit Plan (in both cases, other than a Multiemployer Plan or any employment or consulting agreements) that have been adopted or approved by any of the MGM Companies (and that are not reflected in the documents made available by Parent to C/G and Spyglass prior to the date hereof with respect to such MGM Benefit Plan) and, except as set forth in Section 8.8(a) of the Parent Disclosure Schedule, none of the MGM Companies have undertaken or committed to make any such amendments or to adopt or approve any new plans.

(b) All MGM Pension Plans (other than Multiemployer Plans) have been the subject of favorable and up-to-date (through any applicable remedial amendment period) determination letters from the IRS, or a timely application therefor has been filed, to the effect that such MGM Pension Plans are qualified and exempt from federal income taxes under Section 401(a) and 501(a), respectively, of the Code, and, to the Knowledge of Parent, no circumstances exist and, to the Knowledge of Parent, no events have occurred that would be reasonably expected to adversely affect the qualification of any MGM Pension Plan or the related trust.

(c) Except as set forth in Section 8.8(c) of the Parent Disclosure Schedule, with respect to any plan (other than a Multiemployer Plan) subject to Title IV of ERISA (or Section 302 of ERISA or Section 412 or 4971 of the Code) to which any of the MGM Companies or any ERISA Affiliate maintains or made, or was required to make, contributions during the past six (6) years: (i) there does not exist any accumulated funding deficiency within the meaning of Section 412 of the Code or Section 302 of ERISA, whether or not waived; (ii) the fair market value of the assets of such MGM Pension Plan equals or exceeds the actuarial present value of all accrued benefits under such MGM Pension Plan (whether or not vested, each as determined under the assumptions and valuation method of the latest actuarial valuation of such plan); (iii) no reportable event within the meaning of Section 4043(c) of ERISA for which the 30-day notice requirement has not been waived has occurred, and the consummation of the Mergers, the Contribution or the other transactions contemplated hereby will not result in the occurrence of any such reportable event; (iv) all premiums to the PBGC have been timely paid in full; (v) no liability or contingent liability (including liability pursuant to Section 4069 of ERISA but excluding premiums to the PBGC) under Title IV of ERISA has been or is reasonably expected to be incurred by any of the MGM Companies or ERISA Affiliates; and (vi) the PBGC has not instituted proceedings to terminate any such MGM Pension Plan and, to Parent's Knowledge, no condition exists that presents a risk that such proceedings will be instituted or which would constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any such MGM Pension Plan; where, individually or in the aggregate, the liability that would reasonably be expected to result would have a Parent Material Adverse Effect. With respect to any Multiemployer Plan to which any of the MGM Companies or any ERISA Affiliate made, or was required to make, contributions during the past six (6) years: (i) none of the MGM Companies or any ERISA Affiliate have made or suffered a "complete withdrawal" or a "partial withdrawal," as such terms are respectively defined in

Sections 4203 and 4205 of ERISA; (ii) no event has occurred that presents a material risk of a complete or partial withdrawal; (iii) none of the MGM Companies or any ERISA Affiliate have received any notification that they have any contingent liability under Section 4204 or 4212(c) of ERISA and (iv) none of the MGM Companies or any of their respective ERISA Affiliates have received any notification, or have any reason to believe, that any such plan is in "endangered" or "critical" status under Code Section 432, in reorganization, has been terminated, is insolvent, or may be reasonably expected to be in "endangered" or "critical" status under Code Section 432, in reorganization, to be insolvent or to be terminated, where, individually or in the aggregate, the liability that would reasonably be expected to result in a Parent Material Adverse Effect.

(d) Except as set forth in Section 8.8(d) of the Parent Disclosure Schedule, none of the MGM Companies or any ERISA Affiliate have any material liability for life, health, medical or other welfare benefits for former employees or beneficiaries or dependents thereof with coverage or benefits under MGM Benefit Plans other than MGM Pension Plans, other than as required by Section 4980B of the Code or Part 6 of Title I of ERISA or any other applicable Law. To the Knowledge of Parent, no MGM Pension Plan or MGM Welfare Plan or any "fiduciary" or "party-in-interest" (as such terms are respectively defined by Sections 3(21) and 3(14) of ERISA) thereto has engaged in a transaction prohibited by Section 406 or 407 of ERISA or 4975 of the Code for which a valid exemption is not available. There are no pending or, to the Knowledge of Parent, threatened, claims, lawsuits, arbitrations or audits asserted or instituted against any MGM Benefit Plan (other than Multiemployer Plans), any fiduciary (as defined by Section 3(21) of ERISA) thereto, Parent, any of its Subsidiaries or any employee or administrator thereof in connection with the existence, operation or administration of a MGM Benefit Plan (other than Multiemployer Plans), other than routine claims for benefits. All liabilities with respect to each MGM Foreign Plan have been funded in accordance with the terms of such MGM Foreign Plan and have been properly reflected in the financial statements of the MGM Companies.

(e) Except as set forth in Section 8.8(e) of the Parent Disclosure Schedule and except where the liability would not reasonably be expected to have a Parent Material Adverse Effect, neither the execution and delivery of this Agreement nor the consummation of the Contemplated Transactions (either alone or in conjunction with any other event (which event would not alone have an effect described in the following clauses (i) through (iii)) (i) cause or result in the accelerated vesting, funding or delivery of, or increase the amount or value of, any material payment or benefit to any employee, officer or director of the MGM Companies, (ii) cause or result in the funding of any MGM Benefit Plan or (iii) cause or result in a limitation on the right of any of the MGM Companies to amend, merge, terminate or receive a reversion of assets from any MGM Benefit Plan or related trust. Without limiting the generality of the foregoing, except as set forth in Section 8.8(e) of the Parent Disclosure Schedule, no amount paid or payable by any of the MGM Companies in connection with the transactions provided for herein (either solely as a result thereof or as a result of such transactions in conjunction with any other event) will be an "excess parachute payment" within the meaning of Section 280G of the Code.

Section 8.9 Contracts.

(a) Except as set forth in Section 8.9(a) of the Parent Disclosure Schedule, to the Knowledge of Parent, none of the MGM Companies or any other party (i) are in violation or breach of or in default under (nor does there exist any condition which together with the passage of time or the giving of notice would result in a violation or breach of, or constitute a default under, or give rise to any right of termination, amendment, cancellation, acceleration or loss of benefits under, or result in the creation of any Lien (except Permitted Liens) upon any of the properties or assets of Parent or any of its Subsidiaries under) any Contract to which Parent or any of its Subsidiaries is a party, which is, or is reasonably expected to be, individually or in the aggregate, material to the MGM Companies taken as a whole (each, a "Parent Contract"), or (ii) have otherwise failed to exercise an option under any Parent Contract which may adversely impact Parent's or any of its Subsidiaries' rights or obligations under a Parent Contract, in the case of clauses (i) and (ii), except as would not be reasonably expected to have, either individually or in the aggregate, a Parent Material Adverse Effect. Except as set forth in Section 8.9(a) of the Parent Disclosure Schedule, each Parent Contract is valid and binding in all respects upon, and enforceable against, the applicable MGM Company and, to the Knowledge of Parent, each other party thereto, and is in full force and effect, subject to the Bankruptcy and Equity Exception and except as would not be reasonably expected to have, either individually or in the aggregate, a Parent Material Adverse Effect. To the Knowledge of Parent, no MGM Company has given written notice within the past three (3) years to any other Person that such Person has breached, violated or defaulted (which alleged breach, violation or default is continuing) under any Parent Contract specified in Section 8.9(a) of the Parent Disclosure Schedule under the heading "Parent Contracts Subject to Reporting of Breach Notice". Except as set forth in Section 8.9(a) of the Parent Disclosure Schedule, to the Knowledge of Parent, no other party to any such Parent Contract has alleged that any of the MGM Companies is in violation or breach of or in default under any such Parent Contract or has notified any of the MGM Companies of an intention to, modify any material terms of or not to renew any such Parent Contract, except where such breach, default, modification or failure to renew would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(b) Except as disclosed in Section 8.9(b) of the Parent Disclosure Schedule, no MGM Company is a party to, or bound by, any undischarged written or oral (i) Non-Competition Agreement or (ii) agreement not entered into in the ordinary course of business between Parent and any of its Affiliates other than any Subsidiary of Parent.

Section 8.10 No Conflicts or Violations. Except as set forth in Section 8.10 of the Parent Disclosure Schedule, subject to and after giving effect to any required approvals of the Bankruptcy Court (including, without limitation, the Confirmation Order) and the Plan and assuming the receipt of all consents and approvals described in Section 8.4, the execution, delivery, and performance of this Agreement and the Transaction Documents to which it is a party by each of the MGM Companies does not, and the entry of the Confirmation Order and consummation by each of the MGM Companies of the Mergers, the Contribution, the Plan and the other transactions contemplated hereby and thereby will not (a) conflict with, or result in any breach of, any provision of the certificate of incorporation or bylaws of Parent or Merger Sub or any similar organizational documents of any of its Subsidiaries, (b) violate, conflict with, require consent pursuant to, result in a breach of, constitute a default (with or without due notice or lapse

of time or both) under, or give rise to a right (by any party other than a MGM Company) of, or result in, the termination, cancellation, modification, acceleration or the loss of a benefit or obligation under, or result in the creation of any Lien upon any of the properties or assets of any of the MGM Companies under, any of the terms, conditions or provisions of any Contract to which any MGM Company is a party or by which any of its properties or assets may be bound or (c) violate any Order or Law applicable to any MGM Company or any of their respective properties or assets, except, in the case of clauses (b) and (c) above, for any violation, conflict, consent, breach, default, termination, cancellation, modification, acceleration, loss or creation that would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 8.11 Taxes.

(a) Except as set forth in Section 8.11(a) of the Parent Disclosure Schedule, the MGM Companies have timely filed all material Tax Returns that are required to have been filed by it with the appropriate taxing authorities, and all such Tax Returns are complete and accurate in all material respects. Except as set forth in Section 8.11(a) of the Parent Disclosure Schedule, the MGM Companies have timely paid all material Taxes owed by the MGM Companies (whether or not shown on such Tax Returns), other than in those instances in which such Taxes are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP in respect of all such Taxes.

(b) Except as set forth in Section 8.11(b) of the Parent Disclosure Schedule, no examination or audit of any Tax Return relating to any material Taxes of the MGM Companies or with respect to any Taxes due from or with respect to the MGM Companies by any Governmental Authority is currently in progress or, to the Knowledge of MGM, threatened or contemplated. Except as set forth in Section 8.11(b) of the Parent Disclosure Schedule, no assessment of Tax has been proposed in writing against any of the MGM Companies or any of their assets or properties.

Section 8.12 Intellectual Property.

(a) Except as set forth in Section 8.12(a) of the Parent Disclosure Schedule and except where the failure would not reasonably be expected to, individually or in the aggregate, have a Parent Material Adverse Effect, each of the MGM Companies own or possess adequate licenses or other valid rights to use all Intellectual Property (including, without limitation, Intellectual Property rights that exist in the Films of the MGM Companies) used in their businesses as presently conducted (collectively, the "Parent Intellectual Property"). Section 8.12(a) of the Parent Disclosure Schedule sets forth a complete and accurate list of all trademarks, service marks and domain names in which any MGM Company purports to have an ownership interest. Such schedule will include the title of the mark or domain name and, in the case of trademarks and service marks, the registration, certificate or issuance number (or application number with respect to pending applications) and the date registered or issued (or filed with respect to pending applications) and the identification of the particular entity which holds the interest. None of the MGM Companies own or exclusively license any patents.

(b) Except where the failure would not have a Parent Material Adverse Effect, the MGM Companies take and have taken reasonable measures, consistent with industry practice as of the date of this Agreement, to register, maintain and renew all trademarks, trade names, copyrights and service marks owned by the MGM Companies that are included in the Parent Intellectual Property.

(c) Except as set forth in Section 8.12(c) of the Parent Disclosure Schedule, the Parent Intellectual Property and the conduct of the businesses of each of the MGM Companies as currently conducted do not Infringe any Intellectual Property right of any Person in any way that would be reasonably expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Except as set forth in Section 8.12(c) of the Parent Disclosure Schedule, to Parent's Knowledge, no third Person is Infringing any Parent Intellectual Property which would be reasonably expected to have, individually or in the aggregate, a Parent Material Adverse Effect, except for Infringement arising from unauthorized copying (e.g., piracy and "bootlegging", peer-to-peer file sharing over the Internet and the like). Except as set forth in Section 8.12(c) of the Parent Disclosure Schedule, no legal proceedings are pending or, to the Knowledge of Parent, threatened in writing, that (i) assert that any Parent Intellectual Property or any action taken by any MGM Company Infringes any Intellectual Property of any Person or that any Parent Intellectual Property or any action taken by any MGM Company constitutes a libel, slander or other defamation of any Person or (ii) challenge the validity or enforceability of, or the rights of any of the MGM Companies in, any Parent Intellectual Property, which in each case of the foregoing clauses (i) and (ii) would be reasonably expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(d) Except as set forth in Section 8.12(d) of the Parent Disclosure Schedule, the execution, delivery, and performance of this Agreement and the Transaction Documents to which it is a party by Parent and Merger Sub does not, and entry of the Confirmation Order and the consummation by Parent and Merger Sub of the Mergers, the Contribution, the Plan and the other transactions contemplated hereby and thereby will not adversely affect any right or interest of any of the MGM Companies in any Parent Intellectual Property in any way which would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 8.13 Litigation. Except as set forth on Section 8.13 of the Parent Disclosure Schedule and except as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (i) there is no suit, claim, action, proceeding, arbitration or investigation pending before any Governmental Entity or, to Parent's Knowledge, threatened against any of the MGM Companies or their respective assets or properties; provided that this clause (i) is not intended to address any suit, claim, action, proceeding, arbitration or investigation of the type described in the clauses (a) and (b) of the second sentence of this Section 8.13, and (ii) none of the MGM Companies are subject to any outstanding Order or Orders. As of the date hereof, there is no suit, claim, action, proceeding, arbitration or investigation pending or, to Parent's Knowledge, threatened against any of the MGM Companies, (a) which seeks to, or would be reasonably expected to, restrain, enjoin or delay the consummation of the Mergers, the Contribution, or the other transactions contemplated herein or (b) which seeks damages in connection therewith, and no injunction has been entered or issued with respect to the transactions provided for herein.

Section 8.14 Absence of Certain Changes or Events. Except as set forth in Section 8.14 of the Parent Disclosure Schedule and except for the negotiation (including activities related to due diligence), execution and delivery of this Agreement and the other Transaction Documents and the commencement of the Chapter 11 Cases, (a) since January 1, 2010, each of the MGM Companies has conducted its respective business only in the ordinary course, taking into account the financial circumstances to which the MGM Companies are subject, and (b) to Parent's Knowledge, since January 1, 2010, there has not been any event or events that has had or would be reasonably expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 8.15 Related Party Transactions. Other than as set forth in Section 8.15 of the Parent Disclosure Schedule and other than ordinary course financing transactions, there is no Contract, understanding, or proposed transaction (other than employment agreements and MGM Benefit Plans) between any MGM Company, on the one hand, and any officer, director, Affiliate, stockholder, Person known to Parent to be a lender or any Affiliate of any of them (other than Subsidiaries of Parent) (each, a "Related Party"), on the other hand, that would require payments in excess of $250,000.

Section 8.16 Offering; Valid Issuance. Subject to the accuracy of the representations set forth in Section 6.9 and Section 7.5 of this Agreement, the offer, sale and issuance of the Parent Common Stock to the Undersigned C/G Stockholders and Spyglass as contemplated by this Agreement are exempt from the registration requirements of the Securities Act and from registration or qualification under all applicable "blue sky" laws. The Parent Common Stock that is being issued to the Undersigned C/G Stockholders and Spyglass hereunder, when issued, sold and delivered in accordance with the terms of this Agreement, will be duly and validly issued, fully paid, and nonassessable, and will be free of all Liens and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such ownership interest, other than restrictions under applicable securities laws and under the Stockholders Agreement).

Section 8.17 Brokers and Finders; Transaction Expenses. Except as set forth in Section 8.17 of the Parent Disclosure Schedule, other than Moelis & Company, Zolfo Cooper and Houlihan Lokey, no person engaged by or acting on behalf of any of the MGM Companies or any Affiliate thereof is entitled to any brokerage, financial advisory, finder's or similar fee or commission in connection with transactions contemplated by this Agreement for which any MGM Company could have any liability.

ARTICLE IX

COVENANTS AND OTHER AGREEMENTS

Section 9.1 Conduct of Business by C/G Pending the Closing.

(a) Prior to Closing, except (1) as set forth in Section 9.1(a) of the C/G Disclosure Schedule, (2) as otherwise expressly provided or required by this Agreement and the Transaction Documents or as may be necessary or appropriate to implement the transactions contemplated hereby and thereby (including, without limitation, distributions to the

Cypress/Garoge Stockholders of the Excluded Cypress/Garoge Assets (which distributions are hereby expressly permitted)), (3) as required by applicable Law, (4) as required under the Plan or (5) with the prior written consent of Parent, C/G shall, and shall cause their respective Subsidiaries to:

(i) Conduct the respective businesses of the C/G Companies in the ordinary course of business consistent with past practice; and

(ii) Without limiting the foregoing, use reasonable efforts to: (A) maintain the present business operations, organization and goodwill of the C/G Companies, (B) maintain the present relationships with customers and suppliers of the C/G Companies and other Persons with which any of the C/G Companies have significant business relations, (C) maintain good relations with the employees of the C/G Companies, (D) maintain reserves, accruals and payables in the ordinary course of business and consistent with past practices, (E) maintain and comply in all material respects with the terms of any Cypress/Garoge Contracts and (F) comply with all applicable Laws, except (in each case) for matters of non-compliance as would not reasonably be expected to have a C/G/S Material Adverse Effect.

(b) Prior to the Closing, except (1) as set forth in Section 9.1(b) of the C/G Disclosure Schedule, (2) as otherwise expressly provided or required by this Agreement and the Transaction Documents or as may be necessary or appropriate to implement the transactions contemplated hereby and thereby, (3) as required by applicable Law, (4) as required under the Plan or (5) with the prior written consent of Parent, C/G shall not, and shall not permit their respective Subsidiaries to:

(i) Repurchase, redeem or otherwise acquire, or grant any rights or enter into any Contracts or commitments to repurchase, redeem or acquire, any outstanding shares of capital stock or other securities of, or other ownership interests in, the C/G Companies, or declare, set aside, make or pay any dividend or other distribution with respect to its capital stock or other securities or ownership interests, other than any distributions to the Cypress/Garoge Stockholders of the Excluded Cypress/Garoge Assets (which distributions are hereby expressly permitted);

(ii) Issue or sell any shares of capital stock or other securities of any of the C/G Companies or grant options, warrants, calls or other rights to purchase shares of capital stock or other securities of any of the C/G Companies, other than any Third Party Transfers in accordance with Section 9.6;

(iii) Effect any recapitalization, reclassification or like change in the capitalization of any of the C/G Companies;

(iv) Amend the certificate of incorporation or bylaws or comparable organizational documents of any of the C/G Companies;

(v) Enter into, create, incur or assume any obligations, or enter into any agreement in any case which are other than in the ordinary course of business and other than any Third Party Transfers in accordance with Section 9.6;

(vi) "Greenlight," commit to or commence the production or financing of, or acquisition of any ownership interest or Exploitation rights in or to, any theatrical motion picture(s) not already "greenlit" (or otherwise committed to or commenced) by any of the C/G Companies prior to the date of this Agreement;

(vii) Except in the ordinary course of business consistent with past practice or in any transaction by C/G with their respective Subsidiaries, (A) sell, transfer, lease, license, encumber or otherwise dispose of any of the assets (other than any distributions to the Cypress/Garoge Stockholders of the Excluded Cypress/Garoge Assets) or acquire any additional material assets, or (B) terminate or in any material respect amend any Cypress/Garoge Contract;

(viii) Fail to use commercially reasonable efforts to keep in full force and effect present insurance policies or other comparable insurance benefiting the assets of any of the C/G Companies and the conduct of their respective businesses;

(ix) (A) Make or change any material Tax election (other than a "check-the-box" election for Wilshire and Westwood, LLC), or change any of the C/G Companies' method of accounting for Tax purposes, (B) file any amended Tax Return involving a material amount of additional Taxes, (C) settle or compromise any material Tax liability or enter into any closing agreement with respect to any material amount of Tax, (D) agree to an extension or waiver of the statute of limitations applicable to the assessment or collection of any material Taxes or (E) revoke or otherwise knowingly cause a termination of Cypress' election under Section 1362 of the Code (other than in connection with a Third-Party Transfer);

(x) Other than among C/G and their direct or indirect wholly-owned Subsidiaries, enter into, create, incur or assume any obligations, or enter into any agreement, in any case with (A) any Affiliates of any of the C/G Companies, (B) any of the Spyglass Companies or their respective Affiliates or (C) any Cypress/Garoge Stockholders or their respective Affiliates; or

(xi) Enter into any contract, arrangement or understanding, or agree, in writing or otherwise, to take any of the actions described in this Section 9.1(b) or any action that would make any of the representations or warranties of C/G contained in this Agreement untrue or incorrect in any material respect or prevent C/G from performing or cause C/G not to perform their covenants hereunder or under the Transaction Documents to which it is a party.

Section 9.2 Conduct of Business by Spyglass Pending and After the Closing.

(a) Prior to Closing, except (1) as set forth in Section 9.2(a) of the Spyglass Disclosure Schedule, (2) as otherwise expressly provided or required by this Agreement and the Transaction Documents or as may be necessary or appropriate to implement the transactions contemplated hereby and thereby, (3) as required by applicable Law, (4) as required under the Plan or (5) with the prior written consent of Parent, Spyglass shall, and shall cause the Spyglass Companies to, continue to manage the Contributed Assets in the ordinary course of business consistent with past practice.

(b) Prior to Closing, except (1) as set forth in Section 9.2(b) of the Spyglass Disclosure Schedule, (2) as otherwise expressly provided or required by this Agreement and the Transaction Documents or as may be necessary or appropriate to implement the transactions contemplated hereby and thereby, (3) as required by applicable Law, (4) as required under the Plan or (5) with the prior written consent of Parent, Spyglass shall not, and shall not permit the Spyglass Companies to:

(i) Enter into, create, incur or assume any obligations, or enter into any agreement, in any case with respect to the Contributed Assets, which are other than in the ordinary course of business consistent with past practice;

(ii) Except in the ordinary course of business consistent with past practice (which shall include, for the avoidance of doubt, continuing to develop the Spyglass Development Projects in the ordinary course of business consistent with past practice), (A) sell, transfer, lease, license, encumber or otherwise dispose of any of any of the Contributed Assets or (B) terminate or in any material respect amend any of the Spyglass Contracts; provided, that any transfer or divestiture of any of the Spyglass Development Projects shall require the prior written consent of Parent;

(iii) Enter into, create, incur or assume any obligations, take any other action, or enter into any agreement in any case to develop any productions (including co-financings) that were not otherwise committed to or commenced negotiations by Spyglass or any of the Spyglass Companies prior to the date of this Agreement, except, in each case, as may be required for the Spyglass Companies to fully comply with its and its Affiliates obligations under the Spyglass Credit Facility (which may include developing or producing new theatrical motions pictures or entering into co-financing or co-production arrangements with third Persons for Films that are to become collateral under the Spyglass Credit Facility); it being understood and agreed that Spyglass may continue to (A) develop the Spyglass Development Projects during this period subject to clause (i) above and (B) develop and negotiate with applicable third Persons with respect to the Development Projects set forth in Section 9.2(b)(iii) of the Spyglass Disclosure Schedule (the "Unexecuted Development Projects");

(iv) Enter into, create, incur or assume any obligations, or enter into any agreement in any case with (A) any of the C/G Companies or any of their

respective Affiliates or (B) any of the Undersigned Stockholders or their respective Affiliates, that could reasonably be expected to impair their ability to complete the Mergers or the Contribution as contemplated herein and in the Transaction Documents or performing their obligations thereunder; or

(v) Enter into any contract, arrangement or understanding, or agree, in writing or otherwise, to take any of the actions described in this Section 9.2(b) or any action that would make any of the representations or warranties of Spyglass contained in this Agreement untrue or incorrect in any material respect or prevent Spyglass from performing or cause Spyglass not to perform its covenants hereunder or under the Transaction Documents to which it is a party.

(c) Following the Closing Date and until the Restricted Period End Date (defined in clause (vii) below), except (1) as required by applicable Law, or (2) with the prior written consent of Parent (acting through its Board of Directors), Spyglass agrees that the conduct of the business of Spyglass and its Subsidiaries shall be subject to the following limitations:

(i) Spyglass will be permitted to operate as a separate entity for the purpose of (A) owning and Exploiting its completed Films existing as of the date hereof, and (B) completing (and owning and Exploiting) the Films set forth in Section 9.2(c)(i) of the Spyglass Disclosure Schedule (the "Greenlit Films"). Other than with respect to the Greenlit Films, as may be contractually required with respect to any Retained Interest and as otherwise permitted under this Section 9.2(c), Spyglass will not (x) provide production services or act as a "producer for hire" or film distributor or sub-distributor in any media or territory for third-party Films (as those terms are generally understood in the industry); or (y) acquire directly or indirectly (including through any current or new Subsidiary) any new Films, including development projects, Films in turnaround, "negative pickups" or completed Films.

(ii) With respect to any Retained Interest, Spyglass will have the right to continue to actively develop such Retained Interest in accordance with Section 3.2(c) and (d) of this Agreement. Except with respect to any Retained Interest and as otherwise expressly permitted by this Section 9.2(c), Spyglass will not enter into, create, incur or assume any obligations, take any other action, or enter into any agreement, in any case to develop any new Film productions (including co-financings).

(iii) Spyglass shall not directly or indirectly agree to any modification, waiver, amendment or extension of the Spyglass Credit Facility to provide Spyglass with additional borrowing capacity. Spyglass shall not refinance the Spyglass Credit facility or enter into any new or replacement financing, in each case in a manner that would provide additional Film production or acquisition financing to Spyglass. Spyglass may seek opportunities for additional studio co-financings with MGM (or another studio if Spyglass and MGM (with the approval of Parent acting through its Board) cannot agree on a suitable project

and the terms of such co-financing after a 30-day good faith negotiation period) if (x) MGM (or such other studio) acts as "lead studio" and (y) additional borrowing availability is created following the date hereof from the existing collateral (including the Greenlit Films) under the existing Spyglass Credit Facility during the term (i.e., prior to March 31, 2012).

(iv) Notwithstanding anything to the contrary contained in this Agreement, Spyglass shall be permitted to (A) take those actions that are necessary to comply fully in all respects with the terms of the Spyglass Credit Facility (which may include entering into co-financing or co-production arrangements with third Persons for Films that are to become collateral under the Spyglass Credit Facility as described in clause (iii) above); (B) sell or finance its co-financing rights to the *Star Trek* franchise; and (C) effectuate a transfer, wind-down, dissolution or liquidation of the Spyglass business or otherwise liquidate, dispose and realize the value of any of its equity interests or assets (it being agreed that, if the Spyglass trademarks and logo are transferred to another Person in which the Management Stockholders or their Affiliates beneficially own any direct or indirect ownership interest or for which the Management Stockholders serve as directors, officers, employees or consultants, such transferee shall be subject to the terms of this Section 9.2(c)).

(v) Spyglass shall not enter into any contract, arrangement or understanding or agree in writing or otherwise to take any of the actions prohibited by or not expressly permitted by this Section 9.2(c), in each case for the purpose or with the effect of circumventing the other provisions hereof.

(vi) Spyglass will continue to provide certain services and management services to the C/G Companies or any of their respective Affiliates to the extent its fees for such services continue to serve as collateral under the Spyglass Credit Facility and shall reasonably promptly thereafter cease to provide such services or be entitled to such fees.

(vii) The terms and conditions of this Section 9.2(c) shall terminate and have no further force or effect upon the earliest to occur of the following (the "Restricted Period End Date"): (x) the expiration of the Non-Compete Term (as defined in the Employment Agreements); and (y) the Management Stockholders and their Affiliates cease to (1) beneficially own any direct or indirect ownership interest in Spyglass and (2) serve as directors, officers, employees or consultants of Spyglass.

(d) Spyglass shall on or prior to the Closing terminate any employment agreements, non-competition agreements or other similar arrangements with any of the Management Stockholders.

Section 9.3 Conduct of Business by Parent Pending the Closing.

(a) Prior to Closing, except (1) as set forth in Section 9.3(a) of Parent Disclosure Schedule, (2) as otherwise expressly provided or required by this Agreement and the Transaction Documents or as may be necessary or appropriate to implement the transactions contemplated hereby and thereby, (3) as required by applicable Law (including any obligations as debtor in possession under the Bankruptcy Code) or as otherwise ordered by the Bankruptcy Court, (4) as required under the Plan or (5) with the prior written consent of C/G and Spyglass, Parent shall, and shall cause its Subsidiaries to:

(i) Conduct the respective businesses of the MGM Subsidiaries in the ordinary course of business consistent with past practice, taking into account the financial conditions to which the MGM Companies are subject; and

(ii) Without limiting the foregoing, use reasonable efforts to: (A) except as set forth in Section 9.3(a)(ii)(A) of the Parent Disclosure Schedule, maintain the present business operations, organization and goodwill of the MGM Companies, (B) maintain the present relationships with customers and suppliers of the MGM Companies and other Persons with which any of the MGM Companies have significant business relations, (C) maintain good relations with the employees of the MGM Companies, (D) maintain reserves, accruals and payables in the ordinary course of business and consistent with past practices, (E) maintain and comply in all material respects with the terms of its Parent Contracts and (F) comply with all applicable Laws, except (in each case) for matters of non-compliance as would not reasonably be expected to have a Parent Material Adverse Effect.

(b) Prior to the Closing, except (1) as set forth in Section 9.3(b) of Parent Disclosure Schedule, (2) as otherwise expressly provided or required by this Agreement and the Transaction Documents or as may be necessary or appropriate to implement the transactions contemplated hereby and thereby, (3) as required by applicable Law (including any obligations as debtor in possession under the Bankruptcy Code) or as otherwise ordered by the Bankruptcy Court, (4) as required under the Plan or (5) with the prior written consent of C/G and Spyglass, Parent shall not, and shall not permit its Subsidiaries to:

(i) Repurchase, redeem or otherwise acquire, or grant any rights or enter into any Contracts or commitments to repurchase, redeem or acquire, any outstanding shares of capital stock or other securities of, or other ownership interests in, Parent or, other than in the ordinary course of business, the MGM Companies; or declare, set aside, make or pay any dividend or other distribution with respect to the capital stock or other securities or ownership interests of Parent, or, other than in the ordinary course of business, the MGM Companies;

(ii) Issue or sell any shares of capital stock or other securities of any of the MGM Companies or grant options, warrants, calls or other rights to purchase shares of capital stock or other securities of any of the MGM Companies;

(iii) Effect any recapitalization, reclassification or like change in the capitalization of any of the MGM Companies;

(iv) Amend the certificate of incorporation or bylaws or comparable organizational documents of any of the MGM Companies;

(v) Enter into, create, incur or assume any obligations, or enter into any agreement in any case which are other than in the ordinary course of business;

(vi) Except as set forth in Section 9.3(b)(vi) of the Parent Disclosure Schedule and except with respect to one or more movies based upon "The Hobbit" franchise, "greenlight," commit to or commence the production or financing of, or acquisition of any ownership interest or Exploitation rights in or to, any theatrical motion picture(s) not already "greenlit" (or otherwise committed to or commenced) by any of the MGM Companies prior to the date of this Agreement;

(vii) Except in the ordinary course of business consistent with past practice or in any transaction by Parent with its Subsidiaries, (A) sell, transfer, lease, license, encumber or otherwise dispose of any of the assets of the MGM Companies or acquire any additional material assets; or (B) terminate or in any material respect amend any Parent Contract;

(viii) Except in the ordinary course of business consistent with past practice, terminate the services of any employee of the MGM Companies or make any material change to the compensation or benefits provided to any of the MGM Companies' employees;

(ix) Fail to use commercially reasonable efforts to keep in full force and effect present insurance policies or other comparable insurance benefiting the assets of any of the MGM Companies and the conduct of their respective businesses;

(x) Except as set forth in Section 9.3(b)(x) of the Parent Disclosure Schedule, enter into, create, incur or assume any obligations, or enter into any agreement, in any case with any Affiliates or Related Parties of any of the MGM Companies, other than any arrangements entered into in the ordinary course with Subsidiaries; or

(xi) Enter into any contract, arrangement or understanding, or agree, in writing or otherwise, to take any of the actions described in Section 9.3(b) or any action that would make any of the representations or warranties of Parent or Merger Sub contained in this Agreement untrue or incorrect in any material respect or prevent Parent or Merger Sub from performing or cause Parent or Merger Sub not to perform their covenants hereunder or under any other Transaction Document to which it is a party (it being acknowledged that this clause (xi) is not intended to prohibit Parent from terminating this Agreement in

accordance with Article XII or rejecting this Agreement on the terms set forth in Section 9.10).

Section 9.4 Certain Notifications. Prior to Closing:

(a) Parent shall:

(i) Promptly notify C/G and Spyglass in writing of the occurrence of (A) any circumstance or event that will result in, or would reasonably be expected to result in, the failure of any of the closing conditions specified in Section 11.2 of this Agreement to be satisfied or (B) any Parent Material Adverse Effect;

(ii) Promptly forward to C/G and Spyglass at least three (3) Business Days in advance of filing or execution (as applicable), drafts, for C/G's and Spyglass' reasonable comment, of (1) memoranda of law and declarations/affidavits regarding the Plan or the Disclosure Statement; (2) the schedules and statements of financial affairs of Parent and its Subsidiaries; (3) all "first day" motions, applications and declarations/affidavits; and (4) all other pleadings, motions, proposed orders, notices, statements, schedules, applications, reports, declarations, affidavits, exhibits and other papers that Parent or its Subsidiaries intend to file in the Chapter 11 Cases that relate to this Agreement, the Mergers, the Contribution, the Plan (including the solicitation or confirmation thereof), C/G or Spyglass, or in any manner relate to or affect the Contemplated Transactions; provided, however, that in the case of the emergency filing of any document listed in subclause (4) of this Section 9.4(a)(ii), Parent shall use commercially reasonable efforts to forward (to the extent possible) drafts to C/G and Spyglass so as to provide C/G and Spyglass sufficient advance notice for review and reasonable comment;

(iii) Promptly forward to C/G and Spyglass as soon as practicable drafts of (1) any amendment, modification, supplement, or exhibit to the Disclosure Statement, (2) the motion seeking the relief described in Section 9.9(a)(iv) and the order thereon, (3) amendments to the Plan, (4) supplemental Plan documents (including, without limitation, any schedule related to the assumption or rejection of executory contracts), (5) the Confirmation Order, (6) the stipulation providing for use of cash collateral by Parent and its Subsidiaries and related pleadings, (7) any postpetition financing agreement and related documents and pleadings, (8) any motion to assume or reject an executory contract and related proposed order, and (9) any exit financing facility agreement and related documents, final forms of which documents listed in this paragraph 9.4(a)(iii) shall be subject to approval of C/G and Spyglass prior to their filing and/or execution (as applicable) by Parent or its Subsidiaries; and

(iv) Promptly forward to C/G and Spyglass a copy (unless already served on the counsel of C/G and Spyglass) of any other notices, applications, motions, objections, responses, proposed orders or other documents or pleadings

filed with a court or regulatory agency and received by Parent relating in any way to this Agreement or the Contemplated Transactions.

(b) C/G or Spyglass, as applicable, shall:

(i) Promptly notify Parent in writing of the occurrence of (A) any circumstance or event that will result in, or would reasonably be expected to result in, the failure of any of the closing conditions specified in Section 11.1 of this Agreement to be satisfied or (B) any C/G/S Material Adverse Effect;

(ii) Promptly forward to Parent at least three (3) Business Days in advance of filing or execution (as applicable) drafts, for Parent's reasonable comment, of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that C/G, Spyglass and/or their respective Subsidiaries intend to file in the Chapter 11 Cases that relate to this Agreement, the Mergers, the Contribution, the Plan (including the solicitation or confirmation thereof), Parent or any of the MGM Companies, or in any manner relate to or affect the Contemplated Transactions; provided, however, that in the case of the emergency filing of any document listed in this Section 9.4(b)(ii), C/G and Spyglass shall use commercially reasonable efforts to forward (to the extent possible) drafts to Parent so as to provide Parent sufficient advance notice for review and reasonable comment; and

(iii) Promptly forward to Parent a copy (unless already served on Parent's counsel) of any notice, application, motion, objection, response, proposed order or other documents or pleadings filed with a court or regulatory agency and received by any of C/G or Spyglass relating in any way to this Agreement or the Contemplated Transactions.

Section 9.5 Access to Personnel and Information. Each of C/G and Spyglass shall afford Parent and its Representatives reasonable access during normal business hours, throughout the period prior to the earlier of the Effective Time and the Termination Date, to its and its Subsidiaries' personnel and properties, contracts, commitments, books and records and any report, schedule or other document filed or received by it pursuant to the requirements of applicable Laws and with such additional accounting, financing, operating and other data and information regarding the C/G Companies and the Contributed Assets, as Parent may reasonably request. Parent shall give C/G, Spyglass and their respective Representatives reasonable access during normal business hours, upon reasonable advance notice, throughout the period prior to the earlier of the Effective Time and the Termination Date, to its and its Subsidiaries' personnel and properties, contracts, commitments, books and records and any report, schedule or other document filed or received by it pursuant to the requirements of applicable Laws and with such additional accounting, financing, operating and other data and information regarding the MGM Companies as any of them may reasonably request. No information or knowledge obtained in any investigation pursuant to this Section 9.5 shall affect or be deemed to modify any representation or warranty contained herein or the conditions to the obligations of the parties to consummate the transactions contemplated herein.

Section 9.6 Third Party Transfers.

(a) Prior to the Closing Date, one or more of the Undersigned C/G Stockholders (collectively, the "Transferring Parties" and individually, a "Transferring Party") may, in the aggregate, transfer up to thirty percent (30%) of their ownership interests in the Cypress/Garoge Common Stock as of the date of this Agreement and as set forth in Section 5.3(c) of the C/G Disclosure Schedule to one or more third parties in one or more cash transactions (each, a "Third Party Transfer"). Prior to the consummation of any Third Party Transfer, a Transferring Party or a C/G Company shall notify Parent of the identity of the proposed transferee in connection with a proposed Third Party Transfer and provide to Parent the full and final terms and conditions ("Terms") with respect to any such proposed Third Party Transfer. The Terms of any Third Party Transfer shall not in any manner commit, obligate or encumber (i) the Contributed Assets or (ii) any asset or property (including any right, title and interest in or to such asset or property) of any of the C/G Companies, Parent or any of Parent's Subsidiaries without the prior written consent of Parent, and prior to the consummation of any such Third Party Transfer (that so commits, obligates or encumbers the assets described above), Parent shall be reasonably satisfied that the Terms of any such Third Party Transfer shall not otherwise have any adverse consequences to Parent, its Subsidiaries or the respective businesses of Parent and its Subsidiaries. Parent hereby acknowledges that one of more of the proposed third party transferees in connection with a Third Party Transfer may constitute certain domestic and/or international distribution partners who may have (or may enter into) output distribution arrangements on Terms that are (A) fair to Parent and its Subsidiaries, (B) do not conflict with any existing contractual arrangements of any of the C/G Companies or Parent and its Subsidiaries, and (C) otherwise on customary terms and conditions in the motion picture industry (such Terms to be referred to herein as, "Distribution Terms"). All Distribution Terms shall be subject to the review and prior written consent of Parent (in consultation with the Administrative Agent), which shall not be unreasonably withheld and shall be solely to confirm that the Distribution Terms are in compliance with subclauses (A), (B) and (C).

(b) Except as set forth in Section 9.6(a), the Undersigned C/G Stockholders hereby agree not to transfer, sell, convey, assign or grant their ownership interests in the Cypress/Garoge Common Stock to any third Persons prior to the earlier of the Closing Date or the Termination Date.

Section 9.7 Affiliate Transactions. Except as set forth in Section 9.7 of the C/G Disclosure Schedule, all guarantees, obligations and liabilities arising out of or in connection with any agreements or arrangements (whether oral or in writing) between (a) any of the C/G Companies, on one hand, and (b) any Affiliate of the C/G Companies (other than any direct or indirect wholly-owned Subsidiaries) or the Spyglass Companies or an Undersigned C/G Stockholder (or any of their respective Affiliates), on the other hand, or (x) with respect to the Contributed Assets only, any Spyglass Companies, on one hand, and (y) any Affiliates of any Spyglass Companies or any Undersigned C/G Stockholder (or any of their respective Affiliates), on the other hand, shall be terminated prior to the Closing at no cost, and no such guarantees, obligation and liabilities shall exist or remain after the Closing Date; provided, that any such agreements or arrangements between C/G and their direct or indirect wholly-owned Subsidiaries need not be so terminated. Except as otherwise agreed in writing by Spyglass, all guarantees, obligations and liabilities of Parent, Merger Sub and/or their respective Subsidiaries to any of

the secured lenders and/or their respective Affiliates under the Credit Agreement shall be satisfied as described in the Plan and otherwise discharged without further obligation or liability after the Closing Date.

Section 9.8 Regulatory Approvals; Reasonable Efforts; Cooperation.

(a) Subject to the terms and conditions set forth in this Agreement, each of the parties hereto shall use its reasonable best efforts (subject to, and in accordance with, applicable Law) to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable under applicable Laws to consummate and make effective the Contemplated Transactions, including (i) the obtaining by such party of all necessary actions or nonactions, waivers, consents and approvals required to be obtained by such party from Governmental Entities and the making of all necessary registrations and filings and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entity; (ii) the obtaining by such party of all necessary material consents, approvals or waivers required to be obtained by such party from third Persons; (iii) the defending of any lawsuits or other legal proceedings, whether judicial or administrative, against such party challenging this Agreement or the consummation of the transactions contemplated by this Agreement; (iv) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by this Agreement; and (v) satisfying or causing to be satisfied all the conditions precedent to the other party (with Parent and Merger Sub treated as one party, and with the other parties treated as one party, for purposes of this clause (v)); provided, however, that in no event shall C/G or Spyglass be required to pay any fee, penalty or other consideration to any third Person under any contract or agreement for any consent or approval required for the consummation of the Contemplated Transactions or to grant or give any waiver or consent. Subject, in the case of Parent to Section 9.10, each party agrees not to take any action or permit any of its Affiliates to take any action that is reasonably likely to have the effect of materially delaying, impairing or impeding the receipt of any such waivers, consents and approvals to be obtained by such party.

(b) Subject to the terms and conditions herein provided and without limiting the foregoing, C/G and Parent shall (i) use reasonable best efforts to cooperate with each other in (A) determining whether any filings are required to be made with, or consents, permits, authorizations, waivers or approvals are required to be obtained from, any third parties or other Governmental Entities in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and (B) timely making all such filings and timely seeking all such consents, permits, authorizations or approvals; (ii) use reasonable best efforts to take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby, including taking all such further action as may be necessary to resolve such objections, if any, as the Antitrust Division of the United States Department of Justice, or competition authorities of any other nation may assert under applicable regulatory Law with respect to the transactions contemplated hereby so as to enable the Closing to occur as soon as reasonably possible (and in any event no later than the Termination Date); and (iii) subject to applicable legal limitations and the instructions of any Governmental Entity, keep each other apprised of the status of matters relating to the completion of the transactions contemplated

thereby, including promptly furnishing the other with copies of notices or other communications received by C/G or Parent, as the case may be, or any of their respective Subsidiaries, from any third Person and/or any Governmental Entity with respect to such transactions, except where any such action in the foregoing clauses (i) through (iii) would reasonably be expected to result in a Parent Material Adverse Effect or C/G/S Material Adverse Effect. C/G shall permit counsel for Parent reasonable opportunity to review in advance, and consider in good faith the views of Parent in connection with, any proposed written communication to any Governmental Entity relating to such approvals.

Section 9.9 Bankruptcy Covenants.

(a) Subject to Section 9.10, Parent agrees to support and use its reasonable best efforts, and agrees to cause its Subsidiaries to use their respective reasonable best efforts, to consummate the transactions contemplated herein and in the Plan, to timely and properly solicit acceptances for and confirmation of the Plan, to prosecute the Chapter 11 Cases and, without limitation to the foregoing, to take the following actions:

(i) commencing the solicitation of votes to accept or reject the Plan in accordance with Bankruptcy Code and applicable nonbankruptcy Law no later than five (5) Business Days after the date hereof;

(ii) commencing the Chapter 11 Cases as promptly as practicable after determining, in Parent's sole and reasonable discretion, that sufficient acceptances of the Plan may have been obtained;

(iii) filing and seeking Bankruptcy Court orders approving all customary and otherwise necessary "first day" motions, including a motion requesting approval of a cash collateral stipulation; and

(iv) seeking, as soon as practicable after the commencement of the Chapter 11 Cases (and in no event later than 14 days after commencement of the Chapter 11 Cases) entry of an order of the Bankruptcy Court ("Break-Up Fee Order") (1) deeming any claim of C/G or Spyglass for any portion of the Break-Up Fee that is unpaid in the event the escrow is not available as contemplated in Section 9.10(f), and allowing such claim in full as, a superpriority administrative expense of Parent and its Subsidiaries in the Chapter 11 Cases, junior in priority only to any DIP financing or any Cash Collateral Priority Obligation and any carve-outs for chapter 11 professional fees and expenses and (2) approving the payment of any unpaid fees and expenses owed by Parent to C/G and Spyglass pursuant to the Letter of Intent as administrative expenses of Parent and its Subsidiaries entitled to administrative expense priority.

(b) Subject to Section 9.10, C/G and Spyglass agree to support and use their respective reasonable best efforts to support, and use their respective reasonable best efforts to consummate, the transactions contemplated herein and under the Plan.

(c) Subject to Section 9.10, (i) each of Parent, C/G and Spyglass will not (and Parent shall cause its Subsidiaries to not) propose, agree to, consent to, provide any support to, or

participate, directly or indirectly, in the formulation of any modification of the Plan, unless such modification has been agreed to by all parties to this Agreement and the Administrative Agent, (ii) each of Parent C/G and Spyglass will not (and Parent shall cause its Subsidiaries to not) propose, agree to, vote for, consent to, provide any support to, or participate, directly or indirectly, in the formulation of any other plan in the Chapter 11 Cases and will not vote in favor of any plan other than the Plan and (iii) each of Parent, C/G and Spyglass further agrees that it will not (and Parent shall cause its Subsidiaries to not) object to or otherwise commence or support any proceeding or any other Person's efforts to oppose or alter any of the terms of this Agreement, the Plan, or any Reorganization Document and will not take any action, directly or indirectly, that is inconsistent with, or that would prevent, delay or impede approval or confirmation of the Plan or any Reorganization Document; provided, however, that the terms of all such Reorganization Documents are customary and otherwise consistent with the material terms of this Agreement and the Plan. Without limiting the generality of the foregoing and except pursuant to Section 9.10, each of Parent, C/G and Spyglass agrees that it will not (and Parent shall cause its Subsidiaries to not) directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger or restructuring of Parent or any of its Subsidiaries that could reasonably be expected to prevent, delay or impede the confirmation or approval of the Plan or any Reorganization Document.

(d) C/G and Spyglass shall cooperate with Parent in response to any reasonable request for the supply of financial and other information reasonably necessary to demonstrate the feasibility of the Plan (other than information subject to confidentiality restrictions). C/G and Spyglass shall reasonably cooperate with Parent with respect to any description of C/G or Spyglass in the Plan or the Disclosure Statement and provide such other information reasonably requested by Parent to provide "adequate information" (as defined in Section 1125 of the Bankruptcy Code) in the Disclosure Statement to holders of claims entitled to vote on the Plan (other than information subject to confidentiality restrictions), and each shall promptly notify Parent if at any time before the effective date of the Plan it becomes aware that the Disclosure Statement contains any untrue statement of material fact or omits to state a material fact regarding C/G or Spyglass, as applicable, required to be stated therein or necessary to make the statements contained therein with respect to such information regarding C/G or Spyglass, as applicable, in light of the circumstances under which they were made, not misleading. The parties will work together in good faith to obtain appropriate protective orders with respect to any information deemed to be commercially sensitive.

(e) Notwithstanding any provision to the contrary, neither C/G nor Spyglass shall have any right to direct Parent to include any provision in, or to take any action under, the Plan or the Confirmation Order other than as set forth in this Agreement or as shall be required to effectuate, in a manner reasonably satisfactory to Parent and C/G and Spyglass, the transactions to be consummated under the Agreement, Plan or the Confirmation Order.

Section 9.10 No Shop; Break-Up Fee.

(a) Parent shall, and shall cause its Subsidiaries and its and each of their respective Representatives to, immediately cease and cause to be terminated any discussions or negotiations or processes (including access to any data rooms) with any parties (other than C/G

and Spyglass) that may be ongoing with respect to, or that are intended by Parent or its Representatives to or would be reasonably expected by Parent or its Representatives to lead to, an Acquisition Proposal (a "Competing Proposal"). Parent shall not, and shall cause its Subsidiaries and its and their respective Representatives not to, directly or indirectly, (i) solicit, initiate, propose or take any other action that would be reasonably expected to facilitate any Competing Proposal, (ii) enter into any agreement, arrangement or understanding with respect to any Competing Proposal (including any letter of intent or agreement in principle), (iii) initiate or participate in any way in any negotiations or discussions regarding a Competing Proposal or (iv) furnish or disclose to any third Person any information with respect to, or which would be reasonably expected to lead to, any Competing Proposal; provided, however, that at any time prior to 5:00 p.m. New York time on the date that is 45 calendar days after the date of this Agreement, in response to a bona fide written unsolicited Competing Proposal that is received after the date hereof and constitutes (or could, in the good faith judgment of the Administrative Agent and the Board of Directors, reasonably be expected to lead to) a Superior Proposal, and which Competing Proposal was not, directly or indirectly, the result of a breach of this Section 9.10, Parent may, pursuant to a customary confidentiality agreement (which shall permit Parent to comply with the terms of this Section 9.10 and shall contain confidentiality and standstill provisions not less restrictive to such Person than such provisions of the Confidentiality Agreement are to Spyglass), (A) furnish information with respect to Parent and its Subsidiaries to the Person making such Competing Proposal (and its representatives) so long as all such information has previously been provided to Spyglass or is provided to Spyglass prior to or substantially concurrently with the time it is provided to such Person and (B) participate in discussions or negotiations with the Person making such Competing Proposal (and its representatives) regarding such Competing Proposal; provided, that the Parent shall not take any of the actions referred to in the foregoing clauses (A) or (B) unless the Parent shall have notified Spyglass in writing prior to taking such action.

(b) Notwithstanding anything to the contrary contained in this Agreement, until 5:00 p.m. New York time on the 45th calendar day after the date of this Agreement, the Board of Directors may, in response to a Superior Proposal made after the date of this Agreement, cause Parent to terminate this Agreement pursuant to and in accordance with Section 12.1(f). For the avoidance of doubt, after 5:00 p.m. New York time on the date that is 45 calendar days after the date of this Agreement, Parent shall have no right to terminate this Agreement pursuant to Section 12.1(f) or otherwise on account of a Superior Proposal.

(c) Parent shall promptly, and in no event later than 24 hours after its receipt of any unsolicited Competing Proposal, advise C/G and Spyglass orally and in writing of such Competing Proposal, including the material terms and conditions of such Competing Proposal and the identity of the Person making such Competing Proposal (the "Competition Disclosure"); provided, however, that if the terms of the confidentiality agreement with such Person prohibit the Competition Disclosure, then Parent shall endeavor in good faith to cause such Person to waive its confidentiality agreement for the purpose of making the Competition Disclosure to C/G and Spyglass (and each of their Representatives) but Parent shall not be required to make such Competition Disclosure if such Person does not waive its confidentiality agreement; provided, further, that if Parent discloses the Competition Disclosure to any third Person (other than the Parent's Representatives and lenders and such lenders' Representatives), Parent shall substantially concurrently disclose the Competition Disclosure to C/G and Spyglass. Subject to

the foregoing provisos, Parent shall keep C/G and Spyglass informed in all material respects on a prompt basis with respect to any change to the status of any such Competing Proposal (and in no event later than 24 hours following any such change). Parent shall provide C/G and Spyglass with prior notice (i) of any meeting of the Board of Directors at which the Board of Directors is expected to consider any Competing Proposal or to consider providing information to any Person in connection with a Competing Proposal; and (ii) if and when the Board of Directors and the Administrative Agent determines a Competing Proposal to be a Superior Proposal.

(d) If Parent: (i) terminates this Agreement pursuant to and in accordance with Section 9.10(b); (ii) rejects this Agreement (or this Agreement is deemed rejected) pursuant to section 365 of the Bankruptcy Code; or (iii) otherwise terminates (or purports to terminate) this Agreement in breach hereof (i.e., other than as expressly permitted under Section 12.1 below), with the result that the Contemplated Transactions are not consummated (each, a "Break-Up Fee Event"), and so long as C/G and Spyglass are not then in breach of their obligations or representations and warranties under this Agreement such that the conditions set forth in any of Sections 11.1(a), (b) or (c) cannot be satisfied, Parent shall pay (or cause to be paid) to C/G and Spyglass a break-up fee in the total aggregate amount of $4,000,000.00, plus up to an additional (i.e., in addition to any amounts previously paid or paid on the execution of this Agreement) $500,000.00 in expense reimbursements for reasonable and documented out of pocket expenses and reasonable and documented legal fees, tax-related accounting fees and valuation fees and expenses of the Salter Group (the "Break-Up Fee"). The Break-Up Fee payment shall be the sole and exclusive remedy of C/G and Spyglass against Parent, the MGM Companies and any of their respective Affiliates for any loss or damage suffered as a result of a Break-Up Fee Event or any other breach of this Agreement or any representation, warranty, covenant or agreement contained herein by Parent that results in the failure of the Contemplated Transactions to be consummated, and, upon Parent's payment in full in cash of an amount equal to the Break-Up Fee in accordance herewith (including from the escrow proceeds in accordance with Section 9.10(e)), (A) none of C/G, Spyglass or the Undersigned C/G Stockholders shall be entitled to any additional payment, compensation or any damages as a result of any breach, rejection or wrongful termination of this Agreement by Parent, and (B) no party hereto or any of their respective Affiliates shall thereafter seek to recover any losses or damages in connection with this Agreement or arising from any claim or cause of action in connection with the Contemplated Transactions in excess of such amount from Parent, the MGM Companies or any of their respective Affiliates (other than for fraud or breach of the Confidentiality Agreements as set forth in Section 12.2). Notwithstanding anything to the contrary contained in this Agreement (but subject to Section 12.2), the parties expressly agree that C/G and Spyglass (and their Affiliates) shall be entitled to seek to recover damages following termination of this Agreement under Section 12.1 if (and only if) the Break Up Fee is not promptly paid in accordance herewith, but in no event shall such parties be entitled to both receive the Break-Up Fee (or retain any further right to claim the Break-Up Fee under the Escrow Agreement) and pursue damages hereunder. For purposes of the expense reimbursement set forth herein and subject to the $500,000.00 aggregate reimbursement obligation, the parties agree that such expenses shall include the reasonable and documented legal fees and expenses of O'Melveny & Myers, Munger, Tolles & Olson and Allen Matkins and the valuation expenses of the Salter Group.

(e) To provide for payment of the Break-Up Fee, Parent shall (or shall cause its Subsidiary to), within one (1) Business Day after the date hereof, irrevocably transfer to J.P.

Morgan Escrow Services (and, in doing so, expressly relinquish any right of possession to or control of, other than a reversionary interest) immediately available funds in an amount equal to the Break-Up Fee for deposit into an escrow account which account shall be subject to an escrow agreement in the form attached hereto as Exhibit L (the "Escrow Agreement").

(f) If, notwithstanding the Escrow Agreement, the Break-Up Fee or any portion thereof remains unpaid, for any reason, following the occurrence of a Break-Up Fee Event, C/G and Spyglass shall have a claim against Parent and its Subsidiaries in their Chapter 11 Cases for such unpaid amount, which claim shall be deemed to be a superpriority administrative expense of the Chapter 11 Cases, junior in priority only to any DIP financing or any Cash Collateral Priority Obligation and any carve-outs for chapter 11 professional fees and expenses. Such claim shall be paid in full upon the occurrence of a Break-Up Fee Event (in an amount not to exceed the Break-Up Fee) and thereupon discharged, or in the event of a dispute over whether a Break-Up Fee Event has occurred, reserved for in full on such effective date pending further order of the Bankruptcy Court in full satisfaction of any requirement under Section 1129(a)(9) of the Bankruptcy Code, including by amounts on deposit pursuant to the Escrow Agreement to the extent sufficient to cover the Break-Up Fee (or the amount thereof claimed to be unpaid) or any similar arrangement agreed by the parties or approved by the Bankruptcy Court.

(g) Any breach of the provisions of this Section 9.10 by any of the Parent's Subsidiaries or the Representatives of Parent or its Subsidiaries shall be deemed to be a breach by Parent.

Section 9.11 Noncompetition; Nonsolicitation.

(a) In consideration of Parent and Merger Sub entering into this Agreement with C/G, Spyglass, the Undersigned C/G Stockholders and the Management Stockholders, each of Spyglass and the Management Stockholders hereby acknowledges and recognizes the highly competitive nature of the businesses of Parent and its Subsidiaries. The Management Stockholders further acknowledge and recognize that, as a stockholder of Cypress and/or Garoge, such party has transferred (or will transfer) its equity interest and indirect interests in the business of C/G to Parent and its Subsidiaries in accordance with this Agreement and has a material economic interest in the Contemplated Transactions. Accordingly, each of Spyglass and the Management Stockholders agrees as follows:

(i) The (i) Management Stockholders during the Non-Compete Term (as such term is defined in the Employment Agreements) and (ii) Spyglass during the period commencing on the Closing Date and ending on the Restricted Period End Date, will not, whether on the applicable party's own behalf or on behalf of or in conjunction with any other Person, directly or indirectly (including, for the sake of clarification, through any of the Undersigned C/G Stockholders or any other family trust or similar Persons):

1. engage in any business that directly competes with the business of Parent, its Subsidiaries and any Person in which Parent or any of its Subsidiaries beneficially owns fifteen percent (15%) or more of

the outstanding equity securities (collectively, the "Company Group") of producing and distributing film, television and entertainment media properties (including, without limitation, businesses which any member of the Company Group had specific plans to conduct in the future and as to which the applicable Management Stockholder is aware of such planning as of the time of the applicable Management Stockholder's termination of employment) in the 58 counties of California and any other geographical area where the Company Group manufactures, produces, sells, leases, rents, licenses or otherwise conducts its business (a "Competitive Business");

2. acquire a financial interest in, become employed by, render any services to or otherwise become actively involved with, any Competitive Business, directly or indirectly, as an individual, partner, shareholder, officer, director, employee, principal, agent, trustee or consultant; provided, however, that the foregoing language shall not preclude Spyglass or any of the Management Stockholders from being employed by, rendering services to, or being actively involved with, a subsidiary or division of a Competitive Business, so long as such subsidiary or division of a Competitive Business does not directly or indirectly compete with the Company Group; or

3. interfere with, or attempt to interfere with, business relationships (whether formed before, on or after the date of this Agreement) between the Company Group or any of its affiliates, customers, clients suppliers, partners, members or investors.

(ii) Notwithstanding anything to the contrary in this Agreement,

1. Each of the Management Stockholders and Spyglass may, directly or indirectly own, solely as an investment, securities of any Person engaged in a Competitive Business if such applicable party (i) is not a controlling Person of, or a member of a group which controls, such Person and (ii) does not, directly or indirectly, own 5% or more of any class of securities of such Person;

2. Each of the Management Stockholders and Spyglass shall be entitled to retain a passive economic interest relating to the motion picture projects listed on Exhibit D of the Employment Agreements and any bona fide sequels, prequels, remakes or spinoffs or any other exploitation relating to such programs or pictures;

3. Each of the Management Stockholders and Spyglass may (i) receive all fees for Prior Projects (as defined in the Employment

Agreements) and any bona fide sequels, prequels, remakes or spinoffs or any other exploitation relating to such programs or pictures and (ii) receive executive producer or other applicable credits for Prior Projects and any bona fide sequels, prequels, remakes or spinoffs or any other exploitation relating to such programs or pictures;

4. Each of the Management Stockholders may perform all services permitted to be rendered by the Management Stockholders pursuant to Section 2(d) of the Employment Agreements;

5. Each of the Management Stockholders shall be permitted to perform any activities and render any services following the Employment Term (as defined in the Employment Agreements) that were permitted hereunder or under the Employment Agreements to be performed or rendered by the Management Stockholder during the Employment Term (including pursuant to any approval of the Parent or the Parent's board of directors);

6. Subject only to any applicable distributor or other third party restrictions and/or approvals, for motion pictures that are released by the Company Group during the Term (as defined in the Employment Agreements), each of the Management Stockholders shall be entitled to elect to receive and share credit with the designation of either "Producer" or "Executive Producer" with the other co-chairman and chief executive officer of Parent, to be determined solely among them. Each of the Management Stockholders, along with the other co-chairman and chief executive officer may, at their election, alternate the order in which their names appear as Producer or Executive Producer (i.e., the First Position Credit (as defined in the Employment Agreements)) on every other motion picture that is released by the Company Group during the Term, including any possessory production credit, and may, at their election, alternate receiving First Position Credit on every other motion picture that is released by the Company Group during the Term, other than as set forth above;

7. Any actions taken by Spyglass in compliance with Section 9.2(c) shall in no event constitute a breach or default by Spyglass (or the Management Stockholders) under this Section 9.11; and

8. Each of the Management Stockholders shall be permitted to take any actions reasonably necessary to effectuate Third Party Transfers (whether before or after the Closing Date) in accordance with Section 9.6 hereof and Section 4.2(b) of the Stockholders Agreement.

(iii) The (A) Management Stockholders during the Non-Solicit Term (as such term is defined in the Employment Agreements) and (B) Spyglass during the period commencing on the Closing Date and ending on the Restricted Period End Date, will not, whether on the applicable party's own behalf or on behalf of or in conjunction with any other Person, directly or indirectly (including, for the sake of clarification, through any of the Undersigned C/G Stockholders or any other family trust or similar Persons):

1. solicit or encourage any employee of the Company Group to leave the employment of the Company Group;

2. hire any employee who was employed by the Company Group as of the date of the applicable Management Stockholders' termination of employment with the Company Group or who left the employment of the Company Group coincident with, or within one year prior to or after the termination of the applicable Management Stockholders' employment with the Company Group; or

3. solicit or encourage to cease to work with the Company Group any consultant then under contract with the Company Group;

provided, that nothing herein shall restrict any of the Management Stockholders from engaging, employing or soliciting his personal assistant(s) at the time of such termination.

(b) It is expressly understood and agreed that although Spyglass and the Management Stockholders and the Company consider the restrictions contained in this Section 9.11 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Section 9.11 is an unenforceable restriction against any of Spyglass and the Management Stockholders, the provisions of this Section 9.11 shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Section 9.11 is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

Section 9.12 Confidentiality. The C/G Companies, Undersigned C/G Stockholders and Spyglass Companies shall continue to be bound by the terms of that certain Confidentiality Agreement between the parties dated as of January 6, 2010, as amended by that certain amendment dated as of August 18, 2010. The MGM Companies shall continue to be bound by the terms of that certain Confidentiality Agreement between the parties effective as of August 18, 2010 (the aforementioned agreements are sometimes collectively or individually referred to herein as the "Confidentiality Agreements").

Section 9.13 Public Announcements. Without the prior written consent of each of the parties, no party hereto shall make, and no party shall permit its respective officers, shareholders, directors, employees, Affiliates, advisors, agents or representatives to make, any public announcements concerning this Agreement, the Transaction Documents or any discussion between the parties relating to the transactions contemplated hereby, except as may be required by applicable Law or disclosures necessary in connection with financing transactions by C/G and Spyglass, in which case, the other party shall be provided with reasonable prior notice thereof and a reasonable opportunity to comment prior to the issuance of such public announcement.

Section 9.14 Tax.

(a) Neither Parent nor any of its Subsidiaries shall take any action (including not taking any action) that could cause the Mergers to fail to qualify as "reorganizations" under Section 368(a)(1)(A) of the Code if such failure results from (i) the failure to satisfy the continuity of business enterprise requirement under Treasury Regulations Section 1.368-1(d), (ii) an election made pursuant to Treasury Regulations Section 301.7701-3 to treat Merger Sub as anything other than an entity disregarded as separate from Parent for United States federal income tax purposes or (iii) any action by which Merger Sub becomes anything other than an entity disregarded as separate from Parent for United States federal income tax purposes (as contemplated by Treasury Regulations Section 301.7701-3), unless an Undersigned C/G Stockholder approves, in any capacity, of the conduct or action (including not taking any action) leading to such failure.

(b) All Tax sharing agreements, Tax indemnity agreements, Tax allocation agreements or similar agreements that may exist between the C/G Companies, on the one hand, and any other Person, on the other hand, and any obligations thereunder shall terminate as of the Closing Date and the C/G Companies shall not be bound thereby or have any liability thereunder.

Section 9.15 No Other Representations and Warranties. Except for the representations and warranties contained in this Agreement (as modified by the schedules attached hereto), each party agrees that no other party makes any other express or implied representation or warranty with respect to the transactions contemplated by this Agreement. Each party disclaims any other representations or warranties, whether made by such party, or, to the extent applicable, any of its officers, directors, employees, agents or representatives.

ARTICLE X

INDEMNIFICATION

Section 10.1 Survival. The representations and warranties (a) set forth in Section 5.2 (Authority Relative to this Agreement); Section 7.1 (Authority Relative to this Agreement) and Section 7.4 (Title to Shares) shall survive indefinitely and (b) set forth in Section 5.10 (Taxes) shall survive the Closing until 60 days following the expiration of the applicable statute of limitations (taking into account any applicable extensions) (collectively, the "Surviving Representations"); provided, however, that any claim for breach of Section 5.10 made within such applicable time period with reasonable specificity by Parent shall survive until such claim is finally resolved. Other than the Surviving Representations, the covenants

contained in Section 9.14(a) and those covenants, agreements and other provisions contained herein or in any instrument delivered pursuant to this Agreement (or applicable portions thereof) that by their terms apply or are to be performed in whole or in part after the Effective Time, including the covenants contained in Section 9.2(c) (Conduct of Business by Spyglass Pending and After the Closing), Section 9.11 (Noncompetition; Nonsolicitation) and Section 9.12 (Confidentiality), all of the representations and warranties in Articles V, VI, VII and VIII shall terminate at the Effective Time and the covenants in Article IX in this Agreement shall terminate sixty (60) days following the Effective Time.

Section 10.2 Indemnification. From and after the Closing, subject to the limitations contained herein, the Undersigned C/G Stockholders, severally and not jointly, shall indemnify and save harmless Parent, its Subsidiaries and each of their respective officers, directors, members, partners, managers, employees, agents, successors and assigns (collectively, the "Parent Indemnified Parties") from and against (a) any and all Losses that are imposed on, suffered by or incurred by the Parent Indemnified Parties arising out of or in connection with or relating to any breach of any of the Surviving Representations, (b) any and all liability for Taxes in accordance with Section 10.4 hereof, and (c) any and all Liability to the extent related to the Excluded Cypress/Garoge Assets described in Section 1.1(a) of the C/G Disclosure Schedule (including any and all Liability related to the transfer thereof). Following the execution of this Agreement and prior to Closing, the Management Stockholders shall enter into a guaranty agreement in form and substance reasonably acceptable to Parent to guaranty, on a several basis, the due and punctual payment and performance of the indemnification obligations of their respective C/G Trusts hereunder following a claim made on such C/G Trusts for such indemnification obligations (and which guaranty agreement shall permit the Management Stockholders to satisfy any such indemnification obligations with Parent Common Stock as described in Section 10.5(b)).

Section 10.3 Indemnification Procedures. Except as set forth in Section 10.4 below (which shall apply to a breach of Section 5.10 and all other tax-related indemnities), the following shall apply:

(a) Breaches of the Title Representations.

(i) In respect of a claim made against the Parent Indemnified Parties with respect to a breach of Section 7.4 by any Person who is not a party to this Agreement (a "Third Party Claim"), the Parent Indemnified Party must notify the Undersigned C/G Stockholders hereunder (the "Indemnifying Party") in writing of the Third Party Claim promptly following receipt by the Parent Indemnified Parties of notice of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually and materially prejudiced as a result of such failure. Thereafter, the Parent Indemnified Party shall deliver to the Indemnifying Party, promptly following the Parent Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Parent Indemnified Party relating to the Third Party Claim, other than those notices and documents separately addressed to the Indemnifying Party.

(ii) The Indemnifying Party will have the right to defend (and control the defense) against, negotiate, settle or otherwise deal with any Third Party Claim which relates to any Losses indemnifiable hereunder and to select counsel of its choice. If the Indemnifying Party does not within ten (10) Business Days of its receipt of notice of a Third Party Claim pursuant to Section 10.3(a) elect to defend against or negotiate any Third Party Claim which relates to any Losses indemnifiable hereunder, then the Parent Indemnified Party may at the Indemnifying Party's sole cost and expense defend against, negotiate, settle or otherwise deal with such Third Party Claim with counsel of its choice. If the Indemnifying Party assumes the defense of any Third Party Claim, the Parent Indemnified Party may participate, at its own expense, in the defense of such Third Party Claim; provided, however, that if counsel to the Parent Indemnified Party advises such Parent Indemnified Party that the Third Party Claim involves a conflict of interest that would make it inappropriate for the same counsel to represent both the Indemnifying Party and the Parent Indemnified Party, then the Parent Indemnified Party shall be entitled to retain its own counsel at the cost and expense of the Indemnifying Party.

(iii) If the Indemnifying Party chooses to defend or prosecute a Third Party Claim, the Parent Indemnified Party shall (and shall cause the applicable Parent Indemnified Parties to) cooperate in the defense or prosecution thereof and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, pertinent records, materials and information in the Parent Indemnified Party's possession or under the Parent Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. Similarly, if the Parent Indemnified Party is defending or prosecuting such Third Party Claim, the Indemnifying Party shall cooperate in the defense or prosecution thereof and make available to the Parent Indemnified Party, at the Indemnifying Party's expense, all such witnesses, records, materials and information in the Indemnifying Party's possession or under the Indemnifying Party's control relating thereto as is reasonably required by the Parent Indemnified Party. If the Indemnifying Party chooses to defend or prosecute a Third Party Claim, no such Third Party Claim may be settled, compromised or discharged by the Indemnifying Party without the prior written consent of the Parent Indemnified Party (which shall not be unreasonably withheld or delayed), unless any such settlement, compromise or discharge (A) obligates the Indemnifying Party (or its Affiliates) to pay the full amount of the Liability in connection with such Third Party Claim, (B) imposes no injunctive or other non-monetary relief against any Parent Indemnified Party and (C) unconditionally releases all Parent Indemnified Parties from all further liability in respect of such Third Party Claim. The Parent Indemnified Party shall not settle, compromise or consent to the entry of any judgment with respect to such Third Party Claim or admit to any liability with respect to such Third Party Claim without the prior written consent of the Indemnifying Party (which shall not be unreasonably withheld or delayed).

(b) In the event any Parent Indemnified Party should have a claim against the Indemnifying Party under this Section 10.3 that does not involve a Third Party Claim, the Parent

Indemnified Party shall deliver notice of such claim to the Indemnifying Party promptly following the Parent Indemnified Party becoming aware of the same. The failure by any Parent Indemnified Party so to notify the Indemnifying Party shall not relieve the Indemnifying Party from any liability that it may have to such Parent Indemnified Party under this Section 10.3, except to the extent that the Indemnifying Party has been actually and materially prejudiced by such failure. In the event any Parent Indemnified Party should have a claim against the Indemnifying Party under this Section 10.3 that does not involve a Third Party Claim, if the Indemnifying Party does not notify the Parent Indemnified Party within 15 Business Days from its receipt of such notice that the Indemnifying Party disputes such claim, the Indemnifying Party shall be deemed to have accepted and agreed with such claim.

(c) Any dispute as between the Parent Indemnified Party and the Indemnifying Party with respect to any claim subject to indemnity hereunder that does not involve, or that is not with respect to, any Third Party Claim shall be resolved pursuant to Section 13.5.

Section 10.4 Indemnification Relating to Taxes. The following provisions shall apply with respect to a breach of Section 5.10 and certain other tax-related indemnities:

(a) Indemnity by Undersigned C/G Stockholders. Subject to the limitations set forth in Section 10.4(d), Section 10.4(f) and Section 10.5, each Undersigned C/G Stockholders agrees, severally based on such shareholder's Percentage Interest and not jointly, to indemnify, defend and hold harmless the Parent Indemnified Parties against any and all Losses that are imposed on, suffered by or incurred by any Parent Indemnified Party arising out of or in connection with or relating to (i) any breach of Section 5.10, (ii) any Tax payable (and not paid prior to Closing) by or on behalf of the applicable C/G Companies for any Pre-Closing Tax Period, and (iii) any deficiencies in any Tax payable (and not paid prior to Closing) by or on behalf of the applicable C/G Company arising from any audit by any taxing agency or authority with respect to any Pre-Closing Tax Period; provided, however, that the Undersigned C/G Stockholders shall be liable only to the extent that the aggregate Losses or Taxes exceed the sum of (x) the estimated Tax payments for the current taxable year made by the applicable C/G Companies prior to the Closing Date and (y) the amount of cash and cash equivalents, if any, set forth on the applicable C/G Company Closing Date Balance Sheet. The term "Pre-Closing Tax Period" means all taxable periods ending on or before the Closing Date and the portion of a taxable period ending on the Closing Date of any taxable period that includes (but does not end on) the Closing Date. The term "Percentage Interest" means a percentage calculated separately with respect to each of Cypress and Garoge for each Undersigned C/G Stockholder, the percentage found by dividing the number of shares owned on the date hereof by such Undersigned C/G Stockholder in Cypress or Garoge, as the case may be, by the total number of outstanding shares on the date hereof of such C/G Company. For the avoidance of doubt, the Percentage Interest of any Undersigned C/G Stockholder that does not own any stock in a particular C/G Company shall be zero.

(b) Post-Closing Tax Period Taxes. Parent and Merger Sub shall be jointly and severally liable for and shall timely pay all Taxes of or attributable to the C/G Companies that relate to any Post-Closing Tax Period, and no Undersigned C/G Stockholder shall have any liability or indemnification obligation whatsoever for such Taxes.

(c) Straddle Period. For purposes of Section 10.4(a), in the case of any Taxes that are imposed on a periodic basis and are payable for a Tax period that includes (but does not end on or before) the Closing Date ("Straddle Period"), the portion of such Tax related to the Pre-Closing Tax Period shall (i) in the case of any Taxes other than Taxes based upon or related to income, sales, gross receipts, wages, capital expenditures or expenses, be deemed to be the amount of such Tax for the Straddle Period multiplied by a fraction the numerator of which is the number of days in the Pre-Closing Tax Period (ending on and including the Closing Date) and the denominator of which is the number of days in the Straddle Period, and (ii) in the case of any Tax based upon or related to income, sales, gross receipts, wages, capital expenditures or expenses, be deemed equal to the amount which would be payable if the Pre-Closing Tax Period ended (and based on an interim closing of the books) as of the close of business on the Closing Date.

(d) Refunds and Tax Benefits. The parties agree that (i) any and all Tax refunds (including interest) attributable to a Pre-Closing Tax Period of any C/G Company that are received by Parent, and/or Merger Sub, and/or any of their Affiliates and/or Subsidiaries, and (ii) any amounts credited against Taxes which Parent and/or Merger Sub and/or any of their Affiliates and/or Subsidiaries actually realize with respect to any Tax Return for any Pre-Closing Tax Periods of the C/G Companies, shall be for the account of the Undersigned C/G Stockholders of such entity, and the Parent shall pay over to the applicable Undersigned C/G Stockholders any such refund or the amount of such actually realized credit within 15 days of receipt or entitlement thereto. For the avoidance of doubt, to the extent any and all refunds or credits of the C/G Companies are attributable (determined on a with and without basis) to the carryback of Post-Closing Tax Period items of loss, deduction or credit, or other Tax items of Parent and/or Merger Sub (or any of their Affiliates or Subsidiaries), such refunds or credits shall be for the account of Parent (or any of its Affiliates or Subsidiaries, as the case may be).

(e) Responsibility for Filing Tax Returns; Reporting; Cooperation.

(i) The Cypress/Garoge Stockholder Representative shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the C/G Companies that are required or permitted to be filed after the Closing Date and that relate to Pre-Closing Tax Periods (other than any Straddle Period). If the Cypress/Garoge Stockholder Representative is precluded by applicable Law from filing such Tax Returns, then Parent shall file or cause such Tax Returns to be filed in accordance with the following procedure. The Cypress/Garoge Stockholder Representative shall deliver any such Tax Return (or draft of such Tax Return that is not expected to materially change before such Tax Return is finalized) to Parent for its review and comment at least 45 days prior to the due date (including extensions) of such Tax Return. Parent shall notify the Cypress/Garoge Stockholder Representative, in writing, no later than 15 days after receipt of each such Tax Return if Parent objects to any matter set forth in such Tax Return. If Parent does not object with specificity to any matter set forth in such Tax Return during said 15 day period, then Parent shall be deemed to have approved such Tax Return. If Parent objects with specificity during said 15 day period, then the parties shall engage in good faith discussions to resolve such disagreement. If they are unable to resolve such disagreement within 15

days thereafter, then the disputed items shall be resolved (within a reasonable time, taking into account the deadline for filing such Tax Return) with respect to (A) items for which the Undersigned C/G Stockholders are or Parent is solely liable, by reference to such party's treatment, and (B) all other items, by the Accountant. Upon resolution of all disputed items, the relevant Tax Return shall be adjusted to reflect such resolution and shall be binding upon the parties without further adjustment. The costs, fees and expense of the Accountant shall be borne equally by Parent and the Undersigned C/G Stockholders. For purposes hereof, the "Accountant" shall mean the Los Angeles office of Ernst & Young LLP. If Ernst & Young LLP is unwilling or unable to serve as the Accountant, then the Cypress/Garoge Stockholder Representative and Parent shall select by mutual agreement another independent certified public accounting firm to serve as the Accountant.

(ii) Parent shall prepare or cause to be prepared and file or cause to be filed on a timely basis all Tax Returns with respect to the C/G Companies (including, post-Closing, Merger Sub) due after the Closing Date (taking into account extensions) that are attributable to (A) Post-Closing Tax Periods, or (B) the Straddle Period. Parent shall be responsible for timely remitting all Taxes reflected on such Tax Returns and the Undersigned C/G Stockholders shall reimburse Parent for any amounts owed in respect of Taxes reflected on such Straddle Period Tax Returns for which the Undersigned C/G Stockholders are required to indemnify Parent and Merger Sub pursuant to the provisions of this Section 10.4.

(iii) Any Tax Return prepared or caused to be prepared by Parent for which the Undersigned C/G Stockholders could be liable for any portion of the Taxes reflected on such Tax Return hereunder shall be prepared in a manner consistent with past practice and without a change of any election or any accounting method and shall be submitted to the Cypress/Garoge Stockholder Representative at least 45 days prior to the due date (including extensions) of such Tax Return. The Cypress/Garoge Stockholder Representative shall have the right to review all work papers and procedures used to prepare any such Tax Return. If the Cypress/Garoge Stockholder Representative, within 15 days after delivery of any such Tax Return, notifies the Parent in writing that he objects, with specificity, to any items in such Tax Return for which the Undersigned C/G Stockholders could be liable hereunder, then the parties shall proceed in good faith to resolve the disputed items. If the parties are unable to do so within 15 days thereafter, then the disputed items shall be resolved (within a reasonable time, taking into account the deadline for filing such Tax Return) with respect to (A) items for which Undersigned C/G Stockholders are or Parent is solely liable, by reference to such party's treatment and (B) all other items, by the Accountant. Upon resolution of all disputed items, the relevant Tax Return shall be adjusted to reflect such resolution and shall be binding upon the parties without further adjustment. The costs, fees and expense of the Accountant shall be borne equally by Parent and the Undersigned C/G Stockholders.

(iv) The Undersigned C/G Stockholders and Parent shall reasonably cooperate, and shall cause their respective Affiliates, agents, auditors, representatives, officers and employees reasonably to cooperate, in preparing and filing all Tax Returns relating to the C/G Companies (including amended returns and claims for refund), including maintaining and making available to each other all records reasonably necessary in connection with Taxes and in resolving all disputes and audits with respect to all taxable periods relating to Taxes. Parent and the C/G Companies agree to retain or cause to be retained all books and records pertinent to the C/G Companies until the applicable period for assessment under applicable Law (giving effect to any and all extensions or waivers) has expired, and to abide by or cause the abidance with all record retention agreements entered into with any taxing authority. Parent and the Undersigned C/G Stockholders shall reasonably cooperate with each other in the conduct of any audit or other proceedings involving the C/G Companies for any Tax purposes and each shall execute and deliver such powers of attorney and other documents as are reasonably necessary to carry out the intent of this subsection.

(v) The Cypress/Garoge Stockholder Representative shall have the responsibility for, and the right to control, at the Undersigned C/G Stockholders' sole expense, the audit (and disposition thereof) of any Tax Return relating to a Pre-Closing Tax Period (other than any Straddle Period) of the C/G Companies. Parent shall have the responsibility for, and the right to control, at Parent's sole expense, the audit (and disposition thereof) of any Tax Return relating to a Post-Closing Tax Period or Straddle Period. The Cypress/Garoge Stockholder Representative shall have the right to participate, at its own expense, in the disposition of the audit of any such Tax Return relating to any Post-Closing Tax Period or Straddle Period if such audit or disposition thereof could give rise to a claim for indemnification against any Undersigned C/G Stockholder hereunder. Parent shall have the right directly or through its designated representatives, to review in advance and comment upon all submissions made in the course of audits or appeals thereof to any Governmental Entity relating to any Pre-Closing Tax Period and to approve the disposition of any audit adjustment with respect to such periods if such disposition would reasonably be expected to result in a material increase in Taxes of Parent or the C/G Companies for any Post-Closing Tax Period or Straddle Period.

(vi) If any claim, demand, suit, action, litigation or proceeding for Taxes in respect of which indemnity may be sought pursuant to Section 10.4(a) is asserted in writing against Parent, or any of its Affiliates or Subsidiaries, Parent shall promptly notify the Cypress/Garoge Stockholder Representative in writing of such claim or demand within sufficient time that would allow the Cypress/Garoge Stockholder Representative to timely respond to such claim or demand, and shall give the Cypress/Garoge Stockholder Representative such information (that is within its possession or control) with respect thereto as the Cypress/Garoge Stockholder Representative may reasonably request; provided, however, that the failure to give such notice shall not affect the indemnification

provided hereunder except to the extent the Undersigned C/G Stockholders have been materially prejudiced as a result of such failure. The Cypress/Garoge Stockholder Representative shall have the responsibility for, and the right to control, at the expense of the Undersigned C/G Stockholders, the disposition of any claim, demand, suit, action, litigation or proceeding for Taxes relating to Pre-Closing Tax Periods (other than any Straddle Period) of the C/G Companies; provided, however, that the Cypress/Garoge Stockholder Representative must first consult, in good faith, with Parent before taking any action with respect to the conduct of such proceeding and may not settle any such proceeding without the prior consent of Parent, which shall not be unreasonably withheld, conditioned or delayed, if such action would reasonably be expected to result in an increase in Taxes of Parent, Merger Sub or the C/G Companies for any Post-Closing Tax Period or Straddle Period. Parent shall have the responsibility for, and the right to control, at Parent's sole expense, the disposition of any claim, demand, suit, action, litigation or proceeding for Taxes relating to a Post-Closing Period or Straddle Period. The Cypress/Garoge Stockholder Representative shall have the right to participate, at its own expense, in the disposition of any claim, demand, suit, action, litigation or proceeding for Taxes relating to such Post-Closing Tax Period or Straddle Period if such claim, demand, suit, action, litigation or proceeding could give rise to a claim for indemnification against the Undersigned C/G Stockholders hereunder. Whether or not the Cypress/Garoge Stockholder Representative chooses to defend or prosecute any claim, all of the parties hereto shall reasonably cooperate in the defense or prosecution thereof. The Undersigned C/G Stockholders shall not be liable under Section 10.4(a), for any settlements or payments (i) effected without the consent of the Cypress/Garoge Stockholder Representative if required under the terms of this Section 10.4(e), or (ii) resulting from any claim, suit, action, litigation or proceeding in which the Cypress/Garoge Stockholder Representative was otherwise entitled to participate but was not permitted an opportunity to participate.

(f) Limitation. Notwithstanding anything else contained herein, no C/G Stockholder shall have any indemnification or payment obligation under this Article X with respect to any Taxes for Pre-Closing Tax Periods that are attributable to any action taken outside of the ordinary course of business by Parent and/or Merger Sub and/or any of their Affiliates and/or Subsidiaries after the Closing Date (other than the actions contemplated hereunder or any actions required under applicable law) or the breach by Parent and/or any of its Affiliates and/or Subsidiaries of any covenants, agreements, or obligations hereunder. The obligation of the Undersigned C/G Stockholders to indemnify, defend and hold harmless the Parent Indemnified Parties in Section 10.4(a) shall terminate upon the 60th day following the expiration of all applicable statutes of limitation (taking into account any applicable extensions) applicable to any Taxes payable by Parent, Merger Sub, or any Affiliate or Subsidiary thereof, or any C/G Company attributable to the Pre-Closing Tax Period; provided, however, that any claim made for indemnification under this Section 10.4 within such applicable time period with reasonable specificity shall survive until such claim is finally resolved.

Section 10.5 Limitations and Other Provisions. Notwithstanding anything else contained herein:

(a) In no event will the cumulative aggregate indemnification obligation under this Article X of any Undersigned C/G Stockholders exceed the aggregate consideration received thereby at the Closing of the Contemplated Transactions; provided, however, any indemnification obligation under this Article X relating to Taxes or the Excluded Cypress/Garoge Assets shall not be (i) limited to the aggregate consideration received by the Undersigned C/G Stockholders as provided in this Section 10.5(a) or (ii) taken into account in determining the amount of the aggregate indemnification obligation of any Undersigned C/G Stockholder as provided in this Section 10.5(a).

(b) Any indemnification obligation under this Article X of an Undersigned C/G Stockholder may be satisfied, at the sole and absolute election of such Undersigned C/G Stockholder, with cash, shares of Parent Common Stock then held by such Undersigned C/G Stockholder (valued at the then fair market value thereof) or any combination thereof; provided that for any indemnification claims made within twelve (12) months following the Closing Date, the fair market value shall be deemed to be $25.00 per share; and otherwise fair market value shall be determined by an independent investment banking firm selected by the parties using the mid-point of valuation methodologies reasonably determined by such firm.

(c) No claim may be made against the Indemnifying Party with respect to any possible or potential Loss that the Parent Indemnified Party believes may be asserted or incurred where there has not been a claim actually filed of record against the Parent Indemnified Party or an indemnifiable Loss actually paid or incurred by the Parent Indemnified Party.

(d) To the extent that a Parent Indemnified Party is otherwise indemnified, insured, or compensated for or otherwise recovers any Loss for which indemnification may be asserted under this Article X, then no indemnity shall be permitted for that Loss pursuant to this Article X. Furthermore, the amount of Loss payable under this Article X by the Indemnifying Party shall be reduced by all amounts with respect thereto recovered by the Parent Indemnified Party under applicable insurance policies or from any other Person. If the Parent Indemnified Party receives any such amounts under applicable insurance policies or otherwise from any other Person subsequent to an indemnification payment by the Indemnifying Party, then the Parent Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made or expense incurred by the Indemnifying Party in connection with providing such indemnification up to the amount received by the Parent Indemnified Party.

(e) The Indemnifying Party will not be liable for any Loss, and will not have any indemnity obligation, with respect to (i) any indirect, special, incidental, consequential, or punitive damages, or any claim for diminution in value, interruption of business, lost opportunity, loss of business reputation, or lost profits, in any case except to the extent included in a Third Party Claim subject to indemnification under this Article X, (ii) any Loss that arises out of changes after the Closing in any applicable Law or interpretations or applications thereof or (iii) any Loss that results from the gross negligence, willful misconduct, or fraud of the Parent Indemnified Party.

Section 10.6 Exclusive Remedy. The parties agree that, other than claims for specific performance or injunctive relief and other than in the event of fraud or willful misconduct, from and after the Closing the remedies provided in this Article X shall be the sole and exclusive remedies of all of the parties and their respective successors and assigns with respect to any breach of any representation or warranty contained in this Agreement.

Section 10.7 Treatment of Indemnification Payments. Except as otherwise required by applicable Law, the parties shall treat any indemnification payment made hereunder as an adjustment to the aggregate consideration paid or received by the parties hereunder.

ARTICLE XI

CONDITIONS PRECEDENT

Section 11.1 Condition Precedent to Obligations of Parent. The obligation of Parent to effect the Mergers and the Contribution at the Closing shall be subject to the satisfaction or waiver at or prior to the Closing of the following conditions precedent:

(a) Accuracy of Representations. The representations and warranties of C/G and Spyglass set forth herein shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "C/G/S Material Adverse Effect" set forth therein) does not have, and would not reasonably be expected to have, individually or in the aggregate, a C/G/S Material Adverse Effect; provided, that the representations and warranties of (A) (i) C/G set forth in Section 5.1 (Qualification; Organization; Subsidiaries), Section 5.2 (Authority Relative to this Agreement), Section 5.3 (Capital Stock) and Section 5.17 (Brokers and Finders; Transaction Expenses), (ii) Spyglass set forth in Section 6.2 (Authority Relative to this Agreement) and Section 6.9 (Investment) and (iii) the Undersigned Stockholders as set forth in Section 7.4 (Title to Shares) (subject to any changes for any Third Party Transfers consummated in accordance with Section 9.6) and Section 7.5 (Investment), shall be true and correct both when made and at and as of the Closing Date, as if made at and as of such time, and (B) C/G set forth in Section 5.11(a) (Intellectual Property) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, except where the failure of such representations and warranties would not be reasonably expected to be material to Target taken as a whole.

(b) No Material Adverse Effect. From the date hereof, there shall not have been a C/G/S Material Adverse Effect.

(c) Performance of Obligations. C/G and Spyglass have in all material respects performed all obligations and complied with all covenants herein required to be performed or complied with by them at or prior to the Effective Time, and the obligations of C/G in Section 9.7 shall have been duly performed and complied with.

(d) Effectiveness of the Plan. The Plan, which during the term of this Agreement shall not have been modified from the form attached hereto as Exhibit A except as expressly agreed by Parent, the Administrative Agent, C/G and Spyglass, has been accepted on

or before thirty (30) days after the commencement of solicitation as contemplated by Section 9.9(a)(i) by the requisite votes under the Bankruptcy Code of the lenders under the Credit Agreement and has been effectuated in accordance with all of its provisions, including, without limitation, the conversion of the debt into Parent Common Stock and the existing outstanding equity interests, such that, on the Closing Date, the Undersigned C/G Stockholders and Spyglass (together with any transferees thereof) shall own in the aggregate the percentages of equity set forth in Section 4.1(a) and (b).

(e) Court Approval. The Bankruptcy Court has entered the Confirmation Order that is acceptable to Parent, the Administrative Agent, C/G and Spyglass, and that order is in full force and effect and has not been reversed, stayed, modified or amended in any manner, material to Parent.

(f) No Adverse Proceedings. No Governmental Authority shall have issued an order, decree or ruling or taken any other action permanently restricting, enjoining or otherwise prohibiting in any material respect the transactions contemplated by this Agreement which order, decree, ruling or other action shall have become final and nonappealable.

(g) Tax Certificate. The C/G Companies, Spyglass and the Undersigned C/G Stockholders, as applicable, shall have delivered to Parent a certificate in the form attached hereto as Exhibit P, duly executed and acknowledged, certifying that the Contemplated Transactions are exempt from withholding under Section 1445 of the Code.

(h) Transaction Documents. Each of the Undersigned C/G Stockholders, Spyglass and the Management Stockholders shall have executed and delivered the Stockholders Agreement, the Registration Rights Agreements and the Employment Agreements, as applicable, to Parent.

(i) Closing Certificate. A duly authorized officer of C/G and Spyglass shall have executed and delivered to Parent at the Closing a certificate (a) having attached thereto copies of all resolutions approved by the Board of Directors of C/G and Spyglass and the stockholders of C/G related to the Contemplated Transactions, each of which shall be in full force and effect and shall not have been modified, and (b) certifying that the conditions specified in Section 11.1(a), Section 11.1(b) and Section 11.1(c) are fulfilled as of the Closing.

Section 11.2 Condition Precedent to Obligations of Spyglass and C/G. The obligation of C/G and Spyglass to effect the Mergers and the Contribution at the Closing shall be subject to the satisfaction or waiver (by each of them) at or prior to the Closing of the following conditions precedent:

(a) Accuracy of Representations. The representations and warranties of Parent and Merger Sub set forth herein shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "Parent Material Adverse Effect" set forth therein) does not have, and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect; provided, that the representations and warranties of Parent and Merger Sub set forth in Section 8.2

(Authority Relative to this Agreement), Section 8.3 (Capital Stock) and Section 8.17 (Brokers and Finders; Transaction Expenses) shall be true and correct both when made and at and as of the Closing Date, as if made at and as of such time.

(b) No Material Adverse Effect. From the date hereof, there shall not have been a Parent Material Adverse Effect, and there shall not have been any change, event, occurrence, condition, circumstance, development or effect after the date hereof (other than the expiration of Intellectual Property rights pursuant to their contractual terms by the mere passage of time or due to events otherwise wholly unrelated to the Contemplated Transactions) which adversely affects the MGM Companies' right to use the Parent Intellectual Property in their businesses as presently conducted in a manner that would be reasonably expected to be, individually or in the aggregate, material to the MGM Companies taken as a whole.

(c) Performance of Obligations. Parent and Merger Sub has in all material respects performed all obligations and complied with all covenants herein required to be performed or complied with by at or prior to the Effective Time.

(d) Effectiveness of the Plan. The Plan, which during the term of this Agreement shall not have been modified from the form attached hereto as Exhibit A except as expressly agreed by Parent, the Administrative Agent, C/G and Spyglass, has been accepted by the requisite votes under the Bankruptcy Code of the lenders under the Credit Agreement and has been effectuated in accordance with all of its provisions, including, without limitation, the conversion of the debt into Parent Common Stock and the existing outstanding equity interests, such that, on the Closing Date, the Undersigned C/G Stockholders and Spyglass (together with any transferees thereof) shall own in the aggregate the percentages of equity set forth in Section 4.1(a) and (b).

(e) Court Approval. The Bankruptcy Court has entered the Confirmation Order that is acceptable to Parent, the Administrative Agent, C/G and Spyglass, the Order is in full force and effect, and it has not been reversed, stayed, modified or amended in any manner, material to Parent.

(f) No Adverse Proceedings. No Governmental Authority shall have issued an order, decree or ruling or taken any other action permanently restricting, enjoining or otherwise prohibiting in any material respect the Contemplated Transactions which order, decree, ruling or other action shall have become final and nonappealable.

(g) Transaction Documents. Each of the parties to the Stockholders Agreement, the Registration Rights Agreement, the Employment Agreements and the Indemnification Agreements (other than the Undersigned C/G Stockholders and Spyglass) shall have executed and delivered such Transaction Documents to the Undersigned C/G Stockholders and Spyglass.

(h) Board of Directors. The Board of Directors shall have an authorized size of nine (9) members and the members thereof shall include the Management Stockholders.

(i) Charter Documents; Senior Management Investment Plan. The Certificate of Incorporation and Bylaws of Parent, in the forms attached hereto as Exhibit B-1 and Exhibit

B-2, respectively, and the Senior Management Equity Investment Plan shall have been duly adopted by all necessary action of the Board of Directors and the stockholders of Parent and shall be in full force and effect.

(j) Closing Certificate. A duly authorized officer of Parent shall have executed and delivered to Spyglass and the Undersigned C/G Stockholders at the Closing a certificate (i) having attached thereto (A) the Certificate of Incorporation of Parent, the Bylaws of Parent, and the Senior Management Equity Investment Plan, each as in effect at the time of Closing, (B) the Confirmation Order, (C) copies of all resolutions approved by the Parent's Board of Directors and stockholders related to the Contemplated Transactions, each of which shall be in full force and effect and shall not have been modified, and (ii) certifying that the conditions specified in Section 11.2(a), Section 11.2(b) and Section 11.2(c) are fulfilled as of the Closing.

(k) Executory Contracts. Without the written consent of C/G, none of the MGM Companies that is a debtor in the Chapter 11 Cases shall have rejected any material executory contract or unexpired lease to which it is a party other than those material executory contracts and unexpired leases (i) listed on Exhibit O or (ii) that the MGM Companies would be permitted to terminate or amend in the ordinary course of business consistent with past practice under Section 9.3(b)(vii)(B). Unless the written consent of C/G has been provided, the MGM Companies shall be obligated to reject the contracts and leases listed on Exhibit O.

ARTICLE XII

TERMINATION

Section 12.1 Termination. This Agreement may be terminated and the transactions contemplated herein may be abandoned prior to Closing:

(a) by the mutual written consent of Parent, Spyglass and C/G;

(b) immediately upon written notice of C/G and Spyglass to Parent, in the event that Parent has not, on or before forty-five (45) days after the date hereof, commenced the Chapter 11 Cases, unless a later date has been agreed to in writing by each of Parent, C/G and Spyglass in their sole discretion;

(c) immediately upon written notice of C/G and Spyglass to Parent in the event the Bankruptcy Court shall not have entered the Break-Up Fee Order within fourteen (14) days following commencement of the Chapter 11 Cases;

(d) on or after February 1, 2011, immediately upon written notice of C/G and Spyglass to Parent, so long as C/G and Spyglass are not then in breach of their material obligations under this Agreement, (i) upon the occurrence of the inability of any of the conditions precedent set forth in Section 11.2 to be satisfied or (ii) if Parent or Merger Sub has committed a material breach of its representations, warranties or covenants under this Agreement such that the conditions set forth in Section 11.2 cannot be satisfied; and if such breach or failure is by its nature capable of being cured Parent has not remedied such breach or satisfied such

condition within ten (10) calendar days after the receipt of written notice by Parent from C/G and Spyglass specifying such breach or unsatisfied condition;

(e) immediately upon written notice of Parent to C/G and Spyglass, so long as Parent and Merger Sub are not then in breach of its material obligations under this Agreement, (i) upon the occurrence of the inability of any of the conditions precedent set forth in Section 11.1 to be satisfied or (ii) if C/G or Spyglass has committed a material breach of its representations, warranties or covenants under this Agreement such that the conditions set forth in Section 11.1 cannot be satisfied; and if such breach or failure is by its nature capable of being cured C/G or Spyglass has not remedied such breach or satisfied such condition within ten (10) calendar days after the receipt of written notice by C/G and Spyglass from Parent specifying such breach or unsatisfied condition;

(f) until 5:00 p.m. New York time on the 45th calendar day after the date of this Agreement, upon written notice of Parent to C/G and Spyglass in the form of Exhibit M attached hereto of Parent's receipt of a Superior Proposal not in violation of Section 9.10 and attaching irrevocable instructions to the escrow agent executed by Parent to promptly release and pay the $4,000,000 portion of the Break-Up Fee (a "Termination and Release of Funds Notice"); or

(g) by either C/G and Spyglass or Parent if the Closing does not occur on or prior to March 31, 2011 (the "Termination Date"); provided that the right to terminate this Agreement under this Section 12.1(g) shall not be available to any party whose breach of any provision of this Agreement has been a cause of the failure of the Closing to occur on or before the Termination Date.

Section 12.2 Effect of Termination. In the event of the termination of this Agreement by any party hereto pursuant to and in accordance with the terms of this Article XII, written notice thereof shall forthwith be given to the other party or parties specifying the provision hereof pursuant to which such termination of the Contemplated Transactions is made. Upon termination of this Agreement pursuant to and in accordance with this Article XII, there shall be no liability or obligation thereafter on the part of Parent to C/G or Spyglass or any of their respective Affiliates except (A) for fraud, (B) if the Break-Up Fee is not paid, for willful breach of this Agreement prior to such termination of the Contemplated Transactions pursuant to this Article XII, (C) pursuant to the Confidentiality Agreements, or (D) with respect to any obligations of Parent to pay the Break-Up Fee in accordance with Section 9.10(d), (e) and (f) (and subject to the terms thereof, including with respect to limitation of liability). Upon termination of this Agreement pursuant to and in accordance with this Article XII, there shall be no liability or obligation thereafter on the part of C/G, Spyglass, the Undersigned C/G Stockholders or Management Stockholders to Parent or any of its Affiliates, except (X) for fraud, (Y) for willful breach of this Agreement prior to such termination of the Contemplated Transactions pursuant to this Article XII and (Z) pursuant to the Confidentiality Agreements (any such liability on the part of C/G or Spyglass to be solely for the benefit of those of Parent's Subsidiaries that are "Loan Parties" under the Credit Agreement and not for the benefit of Parent or its shareholders or any other Affiliate of Parent). No party shall be liable under this Agreement for any special, punitive, consequential or other similar indirect damages.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1 Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed received upon the earliest of (a) confirmation of receipt of a facsimile transmission, (b) confirmed delivery by a standard overnight carrier or when delivered by hand or (c) the expiration of five (5) Business Days after the day when mailed by registered or certified mail (postage prepaid, return receipt requested), addressed to the respective parties at the following addresses (or such other address for a party as shall be specified by like notice):

If to C/G, to

Cypress Entertainment Group, Inc.
10900 Wilshire Boulevard, Floor 10
Los Angeles, California 90024
Fax: (310) 443-5912
Attn: Gary Barber

and

Garoge, Inc.
10900 Wilshire Boulevard, Floor 10
Los Angeles, California 90024
Fax: (310) 443-5912
Attn: Gary Barber

with a copy to

Allen Matkins Leck Gamble Mallory & Natsis LLP
515 South Figueroa Street, 9th Floor
Los Angeles, California 90071
Fax: (213) 620-8816
Attn: Jeffrey N. Strug, Esq.

If to Spyglass, to

Spyglass Entertainment Holdings, LLC
10900 Wilshire Boulevard, Floor 10
Los Angeles, California 90024
Fax: (310) 443-5912
Attn: Gary Barber

and

Cerberus California, Inc.
11812 San Vicente Boulevard, Suite 300

Los Angeles, CA 90049
Fax: (310) 826-9203
Attn: Steven F. Mayer

with a copy to

O'Melveny & Myers LLP
1999 Avenue of the Stars, 7th Floor
Los Angeles, California 90067
Fax: (310) 246-6779
Attn: Christopher Brearton, Esq.

with a copy to

Allen Matkins Leck Gamble Mallory & Natsis LLP
515 South Figueroa Street, 9th Floor
Los Angeles, California 90071
Fax: (213) 620-8816
Attn: Jeffrey N. Strug, Esq.

with a copy to

O'Melveny & Myers LLP
1999 Avenue of the Stars, 7th Floor
Los Angeles, California 90067
Fax: (310) 246-6779
Attn: Sean Monroe, Esq.

If to Parent and Merger Sub, to

MGM Holdings Inc.
10250 Constellation Boulevard
Los Angeles, CA 90067
Fax: (310) 449-3092
Attn: Scott Packman, Esq.

with a copy to

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, CA 90071
Fax: (213) 687-5600
Attn: Rick C. Madden, Esq.

with a copy to

Klee, Tuchin, Bogdanoff & Stern LLP
1999 Avenue of the Stars

39th Floor
Los Angeles, CA 90067
Fax: (310) 407-9090
Attn: Michael L. Tuchin, Esq.

with a copy to

Simpson Thacher & Bartlett LLP
1999 Avenue of the Stars
29th Floor
Los Angeles, CA 90067
Fax: (310) 407-7502
Attn: Daniel Clivner, Esq.

Section 13.2 Construction. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

Section 13.3 Entire Agreement; Assignment; Binding Effect. This Agreement (including the exhibits, schedules, and the other documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, among the parties or any of them, with respect to the subject matter hereof, including any transaction between or among the parties hereto, including the Letter of Intent, except that the terms of the Confidentiality Agreements and Paragraph 4(y) (and the two sentences immediately following Paragraph 4(y)) of the Letter of Intent shall survive execution of this Agreement. Neither this Agreement nor any of the rights, interest obligations hereunder shall be assigned by any of the parties hereto without the prior written of the other parties, except as expressly permitted herein. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 13.4 No Obligations to Third Parties. The execution and delivery of this Agreement shall not confer any rights upon any Person or entity other than the parties hereto, or make any Person or entity a third party beneficiary of this Agreement, or obligate the parties to any Person or entity other than the parties to this Agreement.

Section 13.5 Governing Law; Jurisdiction. To the extent not governed by the Bankruptcy Code, this Agreement shall be governed by, and interpreted in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in that state, without reference to its conflict of law rules. The parties hereto agree that (i) after the commencement of the Chapter 11 Cases, the Parties will be subject to the exclusive jurisdiction

of the Bankruptcy Court solely with respect to disputes arising under this Agreement prior to the Effective Time and (ii) in all other cases, the appropriate and exclusive forum for disputes arising out of this Agreement shall be the state or federal courts of the State of New York, and the parties hereto irrevocably consent to the exclusive jurisdiction of such courts.

Section 13.6 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 13.7 Expenses; Attorneys' Fees. Except as set forth in the Letter of Intent, whether or not the transactions contemplated herein are consummated, all costs and expenses incurred in connection herewith shall be paid by the party incurring such expenses.

Section 13.8 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of all the parties hereto.

Section 13.9 Waiver. At any time prior to the Closing Date, the parties hereto may (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive any inaccuracies of the other parties hereto in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance of the other parties hereto with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. No failure or delay on the part of any party hereto to exercise any right or remedy under this Agreement shall operate as a waiver of such right or remedy, and no single or partial exercise of any such right or remedy shall preclude any other or further exercise thereof. No party shall be deemed to have waived any claim arising out of this Agreement, or any right or remedy under this Agreement, unless the waiver of such claim, right or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such party.

Section 13.10 Counterparts; Effectiveness. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. This Agreement shall become effective when each party hereto shall have received counterparts thereof signed by the other parties hereto.

Section 13.11 Severability; Validity. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable, the remainder of this Agreement, and the application of such provision to other Persons or circumstances, shall not be affected thereby, and to such end, the provisions of this Agreement are agreed to be severable.

Section 13.12 Disclosure Schedules. The parties acknowledge and agree that (i) the disclosure of any matters in the Spyglass Disclosure Schedule, the C/G Disclosure Schedule or the Parent Disclosure Schedule to this Agreement shall not be deemed to constitute an acknowledgment by the parties that the matter is required to be disclosed by the terms of this Agreement or that the matter is material and (ii) except as and to the extent provided in this

Agreement, the Spyglass Disclosure Schedule, the C/G Disclosure Schedule and the Parent Disclosure Schedule are qualified in their entirety by reference to specific provisions of this Agreement, and are not intended to constitute, and shall not be construed as constituting, representation or warranties of the parties hereto.

Section 13.13 Availability of Equitable Relief Following Entry of Confirmation Order. Each of the parties to this Agreement acknowledges and agrees that the other parties to this Agreement would be irreparably damaged in the event that any of the terms or provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached following entry of the Confirmation Order. Therefore, notwithstanding anything to the contrary set forth in this Agreement, each of the parties to this Agreement hereby agrees that, only after entry of the Confirmation Order, the other parties to this Agreement shall be entitled to seek an injunction or injunctions to prevent breaches of any of the terms or provisions of this Agreement, and to enforce specifically the performance by such first party under this Agreement, and each party to this Agreement hereby agrees to waive the defense in any such suit that the other parties to this Agreement have an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of injunction or specific performance as a remedy, and hereby agrees to waive any requirement to post any bond in connection with obtaining such relief.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

MGM HOLDINGS INC.

By: _____

Name: SCOTT PACKMAN

Title: EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL

C/G ACQUISITION LLC

By: MGM Holdings Inc., its Managing Member

By: _____

Name: SCOTT PACKMAN

Title: EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL

CYPRESS ENTERTAINMENT GROUP, INC.

By: _____
Name: Craig Barber
Title: CEO

GAROGE, INC.

By: _____
Name: Craig Barber
Title: CEO

SPYGLASS ENTERTAINMENT HOLDINGS, LLC

By: _____
Name: Craig Barber
Title: CEO

UNDERSIGNED C/G STOCKHOLDERS:

THE GARY BARBER LIVING TRUST

By: _____
Name: Gary Barber
Title: Trustee

THE ROGER BIRNBAUM FAMILY TRUST

By: _____
Name: Roger Birnbaum
Title: Trustee

BARBER TRUST PARTNERSHIP,
a California general partnership

By: _____
Michael Warsavsky, not individually,
but solely in his capacity as Trustee of the
Dana B. Barber Irrevocable Trust, the
Romy K. Barber Irrevocable Trust, and the
Teri J. Barber Irrevocable Trust
Its: General Partners

2000 BIRNBAUM IRREVOCABLE TRUST

By: _____
Name: Roger Birnbaum
Title: Trustee

JONATHAN GLICKMAN

_____

MANAGEMENT STOCKHOLDERS:
(solely for purposes of Sections 7.6, 9.11 and 10.2)

GARY BARBER

ROGER BIRNBAUM